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PUBLISHED EACH SATURDAY BY THE SIMMONS-BOARDMAN PUBLISHING CORPORATION, 1309 NOBLE STREET, PHILADELPHIA 23, PA., WITH EDITORIAL AND EXECUTIVE OFFICES AT 30 CHURCH STREET, NEW YORK 7, N. Y., AND 105 W. ADAMS STREET, CHICAGO 3, ILL.

WASHINGTON 4, D. C.: 1081 NATIONAL PRESS BUILDING—CLEVELAND 13, TERMINAL TOWER—SEATTLE 1: 1033 HENRY BUILDING—SAN FRANCISCO 4: 300 MONTGOMERY STREET, ROOMS 805-806—LOS ANGELES 14: 530

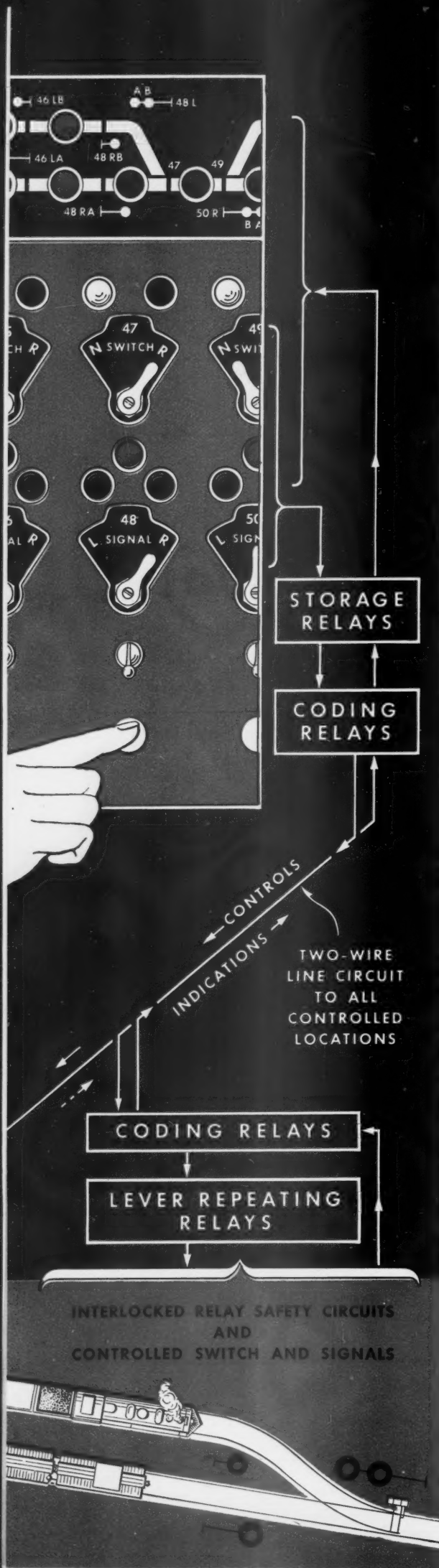
WEST 6th STREET—DALLAS 4: 2909 MAPLE AVENUE.

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## Here's what Time Code Control does in modern C.T.C. systems

In its familiar application to Centralized Traffic Control, the "Union" Time Code Control performs a complex job in modern signaling with simplicity and efficiency.

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This causes a group of office coding relays to transmit a control code, consisting of a predetermined arrangement of pulses, over the two line wires to all C.T.C. stations. The first portion of the code causes the selection of the station controlling switch 47 and signals 48, while the last portion actuates certain lever-repeating relays at this station to accomplish the desired functional controls.

The response of vital functions to the desired controls depends finally on the "safety circuits" that are localized and interlocked in the field. Switches cannot be operated while route locking, approach locking, and certain occupied track circuit controls are in effect. Furthermore, the signal control circuits are designed to establish traffic direction, hold opposing signals at stop, check switch position, and assure that the track in advance is not occupied before permitting the display of a non-restrictive signal aspect.

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## WEEK AT A GLANCE

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**TIME FOR CHANGE:** This issue's leading editorial raises a question as to what is wrong with the present system which determines net earnings the railroads get under honest and efficient operation. That system includes the presentation of the railroad case to the public and regulatory authorities; settlement of wage disputes under the Railway Labor Act; fixing of rates by the I. C. C.; and government subsidization of railway competitors. But the system has always failed, for it has never enabled the carriers to make enough net earnings; and it has caused them during the last two years of record traffic and efficiency to earn less than half as much as they should have. On the basis of this record, the editorial suggests that directors of the A. A. R. should take the initiative in proposing a new system, bottomed on more vigorous, aggressive and constructive action. A pertinent communication from President William White of the Lackawanna is cited as the editorial asks other railroad executives for their opinions as to effective corrective measures.

**MODERN YARD:** The Union Pacific has recently constructed at Pocatello, Idaho, a gravity type classification yard which is described in an illustrated feature article herein. The description calls the yard "the last word" with respect to grades, grouping of tracks, facilities for inspecting cars in motion, and the use of car retarders, as well as various forms of communication. The latter include pneumatic tubes for transmitting waybills, teletypes for handling train consists, two-way talk-back loud-speakers for conversation between men at various locations, and two-way radio for conversations between the yardmasters and enginemen in the yard locomotives. The cost was approximately \$2,619,000, and the facility replaces two flat yards which had become inadequate for handling the traffic with peaks ranging up to 2,200 cars daily.

**PLANNING VS. COMPETITIVE SPIRIT:** In his address before the Central Railway Club, President R. E. Woodruff of the Erie warned that the integrity of the American economic system is so threatened by socialistic inroads that it must be defended by acquainting everyone with the facts about the way it works. Mr. Woodruff's inquiries into what makes America "tick" convince him that it is the "freedom of opportunity and freedom of choice" whereby an American can "work hard if he cares to or be a bum." Excerpts from the address appear in a feature article on page 39.

**"GOLD" IN SHORT-HAUL SERVICE:** President Edward G. Budd, Jr., of the Budd Company, has assembled convincing evidence that short-haul, multiple-stop passenger runs can be made "gold mines." He presents the evidence in one of this issue's feature articles which points out that the history of profitable operations experienced by the Burlington's "Pioneer Zephyr" and the Rock Island's "Rockets" has repeated itself on the Central of Georgia where the streamlined "Man o' War" last year replaced two steam trains on the 117-mile run between Atlanta, Ga., and Columbus. The steam trains had been money losers for years, but "Man o' War" was patronized to 84 per cent

of capacity during its first three months of operation. Mr. Budd recalled that, when his company entered the car-building field, it set out to help the railroads do something about the loss of prestige which attended the dropping of short-haul trains—"friendly trains" which "fostered a feeling of neighborliness." One of its strongest contentions has been that such runs could be made profitable with modern equipment and the service merchandised with emphasis on beauty, comfort, safety and speed.

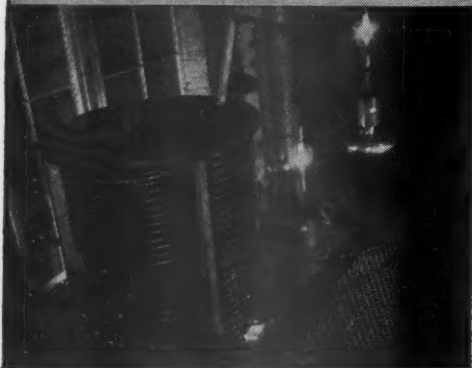
**RATE BOOST:** The Interstate Commerce Commission's December 29 report, which raised from 10 to 20 per cent the interim freight-rate increase authorized in Ex Parte 166, got only brief notice in our Annual Statistical and Outlook Number, the decision having come just as that issue was going to press. Thus our detailed review of the report, which A. A. R. President W. T. Faricy called "the best railroad news of the year," appears in a feature article on page 36. The new increase, after allowance for exceptions, will average 17.5 per cent over-all, supplanting the previous interim boost of 8.9 per cent. It became effective January 5, except as to its application to grain and grain products, which has been delayed until January 15.

**SURPLUS CARS BECOME STREAMLINERS:** The Chicago, Indianapolis & Louisville's program for improving its passenger service is featured by plans to install streamline equipment on regular trains, including four completely streamlined jobs to serve the principal cities on the line. The program involves the conversion in Monon shops of surplus Army hospital cars and troop sleepers. The former will be rebuilt into coaches, dining cars, dining-bar-lounge cars, parlor-observation cars and mail cars, while the troop sleepers will become baggage cars. How the conversion work is being carried out to produce comfortable and colorful equipment is described in one of this issue's illustrated feature articles.

**GOOD, BUT STILL INADEQUATE:** O. D. T. Director Johnson's year-end statement warned that railroad service remains inadequate, despite the fact that 1947 saw "remarkable transportation achievements," and that the country now enjoys railroad service "superior to anything we have seen in recent years by whatever criteria we measure it." Adequate service awaits increased production of freight cars, the Colonel said. His statement is reported in a news story herein.

**TRAFFIC FLOW:** The I. C. C.'s Bureau of Transport Economics and Statistics has issued tabulations showing, on a one-per-cent-sample basis, the interterritorial and intraterritorial movements of freight traffic as represented by carload terminations by Class I roads for the first quarter of 1947. The data were taken from waybills submitted in response to the commission order of September 6, 1946. The showing made by the bureau's compilations is reviewed in a news story herein. The predominance of intraterritorial traffic is pointed up by the figures.

## PRE-TESTING AND RE-TESTING — behind every Okonite Cable



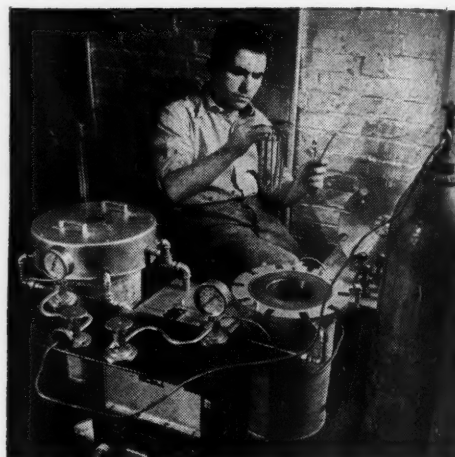
**THESE D. C. TESTS FOR IMPERFECTIONS . . .** At Okonite regular d. c. tests pick out imperfections in insulated wires and cables not detected by conventional methods. These d. c. tests, at 4 times the a. c. values, are in addition to the routine high voltage tests. "Something extra" is typical of Okonite production techniques and research procedures.



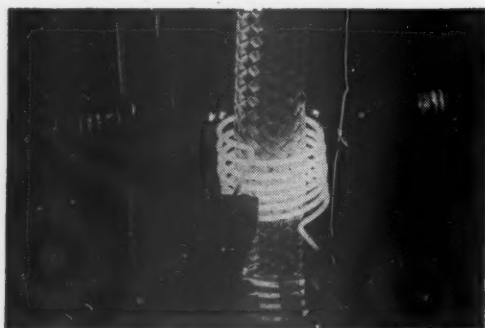
**THIS "FOUL WEATHER" FRIEND TO CABLE USERS . . .** Every kind of weather but fair is manufactured in Weatherometer used for testing sections of Okonite cable. Repeated cycles of water spray and ultra violet light are combined with freezing in a refrigerator. The result: violently contrasting effects which test cable drastically.



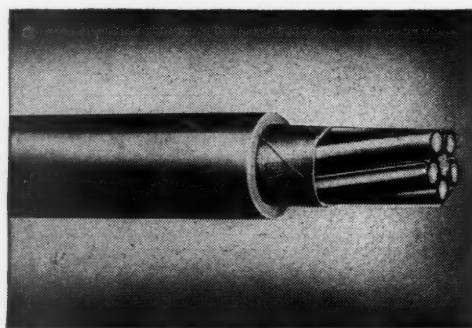
**THIS OKONITE "TWIST" on CABLE TESTING . . .** Okonite research includes subjecting short lengths of electrical cable to torsion tests, twisting through a spiral arc of 180° under load. Bending tests, impact tests, tests of wear-resistance by abrasion — these mechanical tests round out a program of electrical, chemical and weather exposure tests.



**THIS BOMB THAT DESTROYS GUESSWORK . . .** While accelerated aging tests cannot replace the study of actual exposure to weather in proving ground and in the field, they have a definite place in estimating the value of electrical insulation. The oxygen bomb used in these tests is one of many pieces of modern equipment used in Okonite research.



**THIS GLOWING TRIBUTE TO CABLE FITNESS . . .** Is a cable covering flameproof? Will it resist high temperatures when it comes to actual service? Flame tests in the Okonite laboratories help to answer questions like these long before a cable is manufactured. The measured current that makes the coil glow makes it possible to reproduce test after test without variation.



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# RAILWAY AGE

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## THE "SYSTEM THAT ALWAYS FAILS"

In the two postwar years 1946 and 1947 the Class I railways earned about \$1,370 million net operating income—\$620 million in 1946 and \$750 million in 1947. This was less than *half* what they should have earned measured by (1) the volume of service rendered, (2) a fair return of 6 per cent annually on the Interstate Commerce Commission's valuation of about \$23 billion, and (3) the earnings needed for adequate improvements and expansion.

This is the most conclusive proof ever afforded of the futility of the system now used ostensibly for enabling the railways, under honest and efficient management, to make the net earnings that the public interest requires that they shall make.

### What Earnings Should Have Been

Every condition was favorable to record net earnings excepting the system which is supposed to establish and maintain a reasonable relationship between unit costs of operation and rates. The traffic handled far exceeded all previous peace-time records. The great increases that had occurred and were still occurring in the prices of commodities made it easily possible for the traffic to bear higher rates. The railways were more efficiently operated than ever before. They were more economically operated than ever before in proportion to their *unit costs* of labor, materials and fuel; and there was no

way in which their managements could avoid the advances in wages and prices which so greatly increased their unit costs.

In these circumstances the net operating income earned in 1946 and 1947 should have averaged \$1,500 million a year—more than two and a fourth times what it did average. For the railways, like other industries, must make large profits in prosperous years to offset the small profits of poor years if they are to average enough profits during periods of years. The fatal weakness of the present system for over a third of a century has been that it has never enabled the railways to make enough large net earnings in years of prosperity. Hence the terrible record of railway bankruptcies during the depression. Hence the cessation of railway expansion and decline of railway capacity during the depression which almost caused a fatal shortage of railway transportation during the war, and caused an acute, increasing and dangerous shortage of railway transportation since the war.

### A One-Year Set-Back

Having earned less than half as much net operating income as they should have derived from the record peacetime traffic of 1946 and 1947, the railways have lost the equivalent of at least one year's net operating income that they should have had with which to carry out the large postwar program



of improvements and expansion on which they have started, and the continuance of which will be needed to enable them to render the good and adequate service required from them to enable high-level employment and production in other industries to continue.

### **No Reimbursement in Prospect**

On the basis of prospective traffic and operating expenses, the railways have estimated that if the Interstate Commerce Commission should authorize all the advances in rates for which they have asked they would make \$1,281 million net operating income in 1948.

This is only about what the railways earned in 1929 in handling a traffic only two-thirds as large as that estimated for 1948. It is less than they should earn in good years, only about what they should average in good and poor years, and therefore, would not begin to reimburse them for the net earnings they should have got, but did not get, in 1946 and 1947.

The system which, under honest and efficient operation, determines how much net earnings the railways get includes (1) the presentation of their case to the public and regulating authorities, (2) the settlement of disputes regarding wages and working conditions under the Railway Labor Act, and (3) the fixing of rates by the Interstate Commerce Commission. (4) Government subsidization of their competitors is also an important influence when it deprives the railways of traffic that they have enough capacity to handle and that they could handle at lower total economic cost than other carriers.

### **Questions That Must Be Answered**

What is wrong with this system which never has enabled the railways to make enough net earnings and has caused them during the last two years of record employment, production and traffic to earn less than half as much as they should have? Is it that the railways do not present their case with enough intelligence and aggressiveness to the public and to those who under the Railway Labor Act determine their labor costs and who under the Interstate Commerce Act determine their rates? Does the Railway Labor Act or Interstate Commerce Act or both of them need overhauling? Or is the trouble due to defective procedure in the administration of one or both of them?

More than a third of a century's tragic experience under the present system demands answers to these questions. The last two years' experience, when the railways have made depression net earnings during a period of great prosperity, especially demands that these questions be answered. The directors of the Association of American Railroads, who officially represent the railroads, should take

the initiative by proposing a new system that they believe will work better. The experience of the last two years, following that of the preceding thirty years, should surely be enough to alarm the leadership of the industry sufficiently to stimulate more vigorous, aggressive and constructive action.

Honest and efficient operation which gets only such net earnings as have been derived during the last two years from a record traffic is, for the long pull, almost a futile gesture of only temporary benefit to the public and of little lasting benefit to the industry. In our issues of December 13, 1947, page 62, and December 27, page 54, we published, anonymously, pertinent comment on this all-important subject by men of influence in the formulation of management policy. On page 41 in this issue appears a communication from President William White of the Lackawanna, offering a specific proposal for remedying the railroads' chronic anemia of net earnings. What is *your* opinion as to effective corrective measures?

## **THE GROWING PROBLEM OF THE SECTION FORCES**

Increasing the level of efficiency of section forces is certainly one of the most important tasks confronting track maintenance officers—and, indeed top management of the railroads. The section foreman is the key to the effective functioning of these forces. Formerly it was possible for local maintenance officers to exercise almost complete freedom of judgment in selecting men for promotion as foremen, thereby assuring that only those best qualified for the job would be chosen. Under present working agreements, however, seniority is made the primary basis of selection, with other qualifications, such as loyalty, leadership, ambition, industry and even ability, relegated to a secondary role.

The evils of this system of selecting foremen, long foreseen by maintenance officers, are now becoming a tangible reality. Since it is no longer possible to give assurance of reasonably rapid advancement to young, ambitious men, such men are seeking greener fields. As a consequence the men available for promotion to section foremen frequently fall short of the needed qualifications. A situation being encountered with increasing frequency is the absence among eligible applicants of *any* men who can qualify as section foremen.

The seriousness of this problem was pointed out recently by P. O. Ferris, chief engineer of the Delaware & Hudson, in an address before the Metropolitan Maintenance of Way Club in New York. The average foreman, he said, is in charge of as much as

a million dollars worth of property, has supervision over an annual expenditure of between \$40,000 and \$50,000, and "is responsible for the safe movement of many thousands of dollars on wheels, as well as for the safety of many thousands of passengers."

With so much at stake, a satisfactory solution to this problem ranks equally in importance with any facing the railroads today. The time is already late, in the sense that the unpleasant results of the present system are becoming increasingly apparent, while few, if any, countermeasures have been devised. The problem is not one that will "work itself out," in the absence of effective correctives. For one thing, section forces must be brought under a higher degree of supervision; in the words of Mr. Ferris "supervision must be closer and more rigid than ever before." For another, no opportunity should be overlooked, under the restricted prerogatives remaining to management, to assure a supply of men capable of qualifying as foremen. Concerted effort and planning are needed on the part of management and maintenance officers alike.

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## MORE UNIFORM FREIGHT CAR INSPECTION NEEDED

At a recent meeting of the Car Foremen's Association of Chicago, it was revealed that the ratio of freight cars rejected at interchange varies among the different roads entering the city from 1 in 24 to 1 in 400. This is a startling difference since all roads have access to a pool of freight rolling stock of about equal quality and condition as a result of free and complete interchange of cars. All roads receive equipment from this general pool in such a way that each tends to get about the same percentage of cars in the various states of repair and serviceability. The law of averages eliminates any possibility that the condition of the cars would vary by more than a small percentage, if at all, between the roads.

### **Carelessness and Over-Cautiousness**

The great variation in ratios of cars rejected can mean that the roads refusing only one car in 400 are too careless, or that the roads rejecting one in 24 are over-cautious. Inspection requirements for the maximum overall operating efficiency may lie at one of the extremes that produce the high or the low ratio of unacceptable cars, or they may lie somewhere in between. The inspection requirements for the most profitable overall operation of various roads cannot differ so much that the percentage of

rejected cars is 15 times as great on one road as on another.

There is some point in the condition of each of the many individual parts that go to make up the complete freight car at which that part should be rejected at interchange inspection, or any other inspection. The point at which each is no longer suitable for one road does not differ, at least materially, from the point at which it is unsuitable for use on any other line. Where the requirements of a railroad are either too strict or too loose, money is being spent needlessly. Where too strict, repairs are made when not needed; where too loose, cars are being operated in an uneconomical, perhaps even an unsafe, condition. The car shortage is aggravated also when cars are held for repairs without which they could safely and reliably continue their journey, or when, because of lax inspection, an entire train is delayed, or possibly derailed, due to the failure of a car that should not have passed inspection.

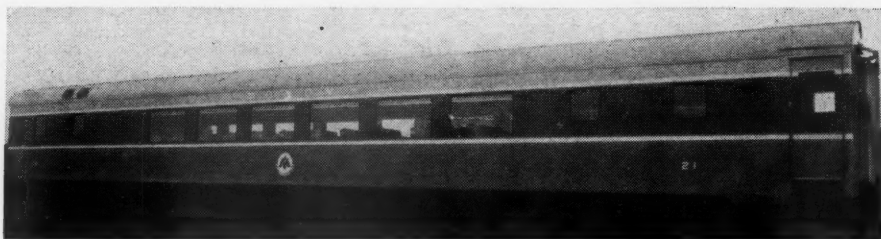
### **Rules Not Interpreted Uniformly**

The mechanical condition of freight cars acceptable for interchange is covered by the A. A. R. interchange rules which are uniform throughout the country. Unfortunately, these rules are not uniformly interpreted and applied. In some instances, as pointed out in the Chicago Car Foremen's meeting, the rules are interpreted to technically and bad-order cards applied for relatively minor defects which have no bearing on safety and may well go until the next general shopping. In most cases, under present conditions, inspection is too lax for such reasons as poor mechanical condition of many cars, due to deferred maintenance; shortage of equipment and heavy pressure to keep every possible car in service; reduced force of experienced inspectors; and difficulty in hiring and training new men.

Management has the overall responsibility of appraising car inspection from the standpoint of service to the shipper, operating costs and general maintenance policy. Car men have the intimate knowledge and up-to-the-minute information on the general physical condition of freight cars to work out mechanical details. By pooling the knowledge and efforts of these two groups a forward step would be taken toward achieving more uniform inspection in accordance with reasonable interpretations of the present A. A. R. rules which would undoubtedly help speed freight shipments and reduce operating costs. Another highly important point which would help to attain these two objectives was stressed by F. E. Cheshire, operating vice-president of the Monon, in his Chicago Car Foremen's paper when he recommended adequate inspection of empty cars and restoring them to full serviceability before re-use to permit loaded cars to proceed to destination without numerous enroute inspections with their attendant delays and cost.

# MONON CONVERTS HOSPITAL CARS AND TROOP SLEEPERS TO MAKE UP STREAMLINE TRAINS

*Colorful rebuilt passenger and head-end equipment includes parlor-observation cars, reclining-seat coaches, dining and dining-bar-lounge cars, baggage cars and baggage-mail cars*



Among the foremost features of the program of the Chicago, Indianapolis & Louisville for improving its service is the installation of streamline equipment on regular trains, including four completely streamlined trains to serve Chicago, Indianapolis, Ind., Louisville, Ky., and other principal cities along its lines. Passenger cars, including coaches, dining cars, dining-bar-lounge cars and parlor-observation cars, are being converted at the railroad's Lafayette, Ind., shops from U. S. Army surplus hospital cars, originally built by the American Car & Foundry Co. Mail cars are also reconstructed from the hospital cars, while baggage cars are rebuilt from surplus Pullman troop sleepers.

The cars, as rebuilt by the Monon, are both comfortable and colorful. The exteriors are trimmed in "Monon red" against a light gray background. This red extends from just below the window line to just above it in a continuous stripe from one end of the car to the other, and contributes to the unit appearance of a train made up solely of this equipment. The interiors of the cars feature comfortable seating, adequate lighting and spaciousness.

## **The Coaches**

Maximum use was made of material from the hospital cars. The six-wheel trucks were left intact, although roller bearings are scheduled for application in the future. The 10-kw. axle gear-reduction-driven generators and the 1,000 amp.-hr. batteries are retained. The ice-activated air-conditioning systems are used, although they too will be replaced in the future with a mechanical system. The old heating systems which were removed will be used for rebuilt baggage cars and other installations. Intensive use was made of interior fittings and fixtures.

The coaches contain 46 seats of air foam rubber with backs of form-fitting resilient springs. Both the

backs of the chairs and the foot rests are adjustable. All are arranged so that passengers may look out of windows without interference from pier panels. Venetian blinds, which may be raised or lowered or have the slat angle adjusted by a push-button handle, are installed on the twin-pane, hermetically-sealed safety-glass windows. The window sills are of Formica, which is scar, stain and cigarette proof. Decorative effect and protection from draft for the passengers occupying the seats at either end of the hallway side of the car are provided by a panel on each end of the seating compartment. This panel is 41½ in. wide by 85 in. high. It is composed of Marlite in the lower section and Lucite above.

## **Vestibule at One End**

The hallways at each end of the cars have a minimum width of 2 ft. 5 in. Additional space is provided where needed, as at the drinking-water cooler, where the width is 4 ft. 5 in. There is a large ladies' lounge with chairs and a settee at the vestibule end of the coaches. At the blind end is a large smoking lounge for occupancy by both men and women, and a smaller lounge for men.

As many parts were retained from the hospital cars as it was practicable to use in the coaches. The vertical air-conditioning pipes and ducts, the evaporator and the electric locker are left in place, the piping and duct work being extended to compartments where necessary. The water cooler, lavatory equipment, Anemostats, ceiling lights, and the baggage rack are retained but relocated. The heating system pipes are replaced with the Vapor unit fin-type zone-heating arrangement. This is covered with a stainless-steel heater guard. An individual reading light is installed over each window seat to provide good lighting for the occupant of this seat and the aisle seat next to it.



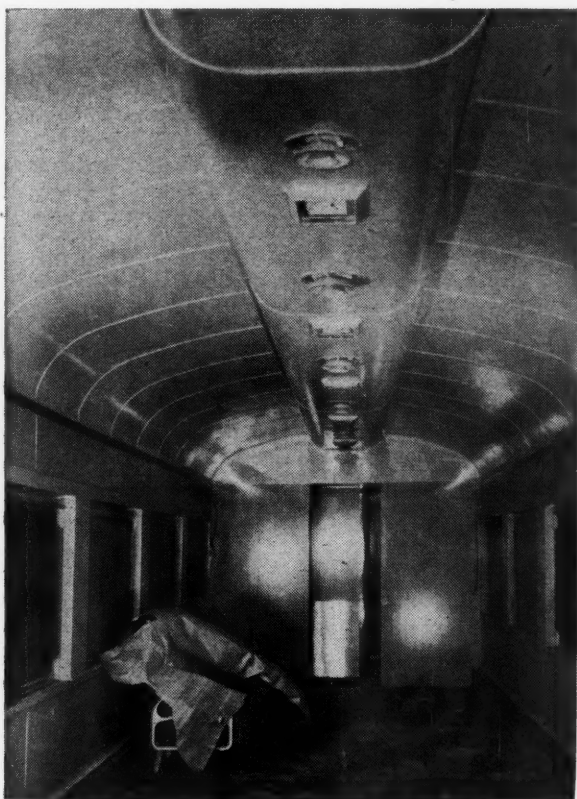


The parlor car has individual reading lights for each seat, venetian blinds and drapes at each window

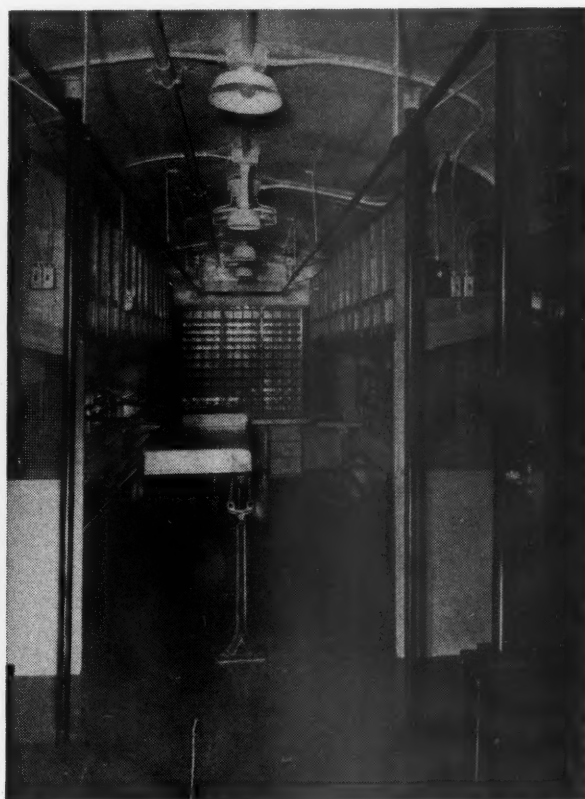


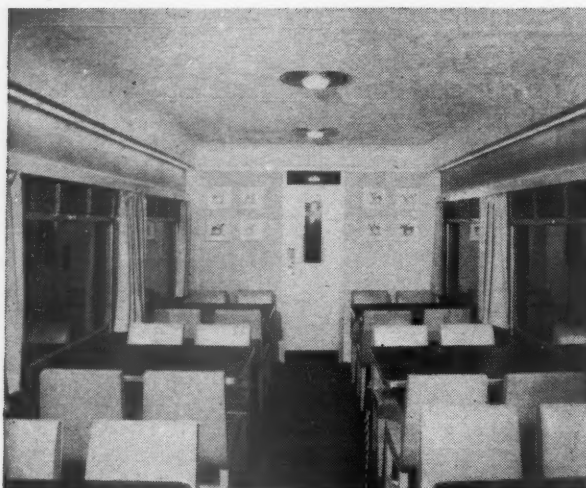
The coach is well lighted. In the background is the window of the combined lounge and smoking section

The finished head liner and air duct. The Cherry rivets used for fastening were countersunk and filled prior to sanding and painting



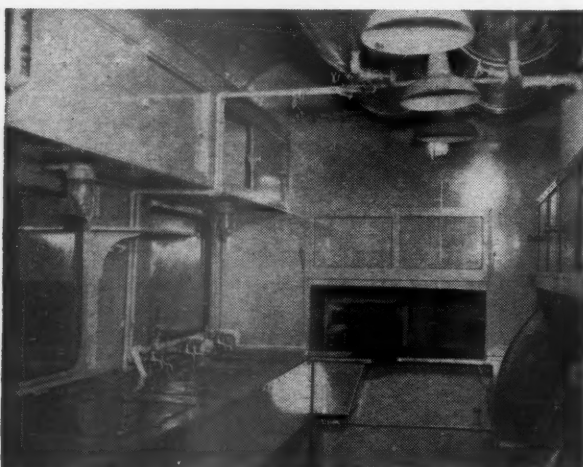
The mail section of the baggage-mail car conforms to the latest specifications of the Railway Mail Service. It has fin-type radiation, thermostatically controlled heat, enclosed toilet, pressure water system and a drinking-water cooler





Photographs of Kentucky Derby winners decorate the end of the dining room in the dining-bar-lounge car

The kitchens for the dining and the dining-bar-lounge cars were built largely with parts from the hospital-car kitchens



The ceiling contour over the seating compartment was left unchanged in the cars converted thus far, but on later cars a lower false ceiling will be applied to give the appearance of greater width and length. A lower flat ceiling 7 ft. 2¾ in. high is applied over the hallways and compartments at each end of all cars.

Interior doors and partitions are made of Met-L-Wood, and the partitions secured in place with angle iron. The upper half of the partitions is primed for painting, while the lower 30 in. of the partitions, where subject to scuffing from baggage, as in hallways, is covered with stainless steel. Stainless steel is also used for the toilet floor and for the tubing upon which the luggage rests in the baggage racks. Tubing is used here to attain an open construction for easier cleaning and to make the baggage visible at all times to minimize passengers forgetting items. The main structural part of the baggage rack is aluminum.

A soiled towel receptacle, unusual in many respects, was designed and built by the shop forces. It has the sloping top usually found in public places for waste collection, with a spring hinge opening to receive the

used towels. The side opposite this is toward the wall and is open, which permits reaching in behind it with one hand to lift it clear of the holder and dump the contents through this same opening.

### Car Exteriors

The exteriors of all cars, passenger and head end, are designed to harmonize one with the other. A skirt 3 in. deep which curves inward at the bottom extends the full length of the car and slopes to a depth of 6 in. at the ends. The skirt is arc-welded in place, and the weld is ground and puttied to a smooth surface. The exterior doors in the vestibule end are retained in the coaches and parlor cars. The evacuation doors, the centers of which were located 11 ft. 10 in. from the blind end, were removed and a new 11-gage steel section of the car side was fabricated integrally with the existing side. Holes for the windows in this section, as well as other windows that were relocated, were cut out with an acetylene torch and ground to a smooth finish. Posts were added or rearranged as necessary to retain suitable strength in the car structure. The window panes are set in rubber which is held in place between the car side and the interior trim with aluminastic cement. The blind end was retained so that more space would be available to the passengers without reducing the carrying capacity of the car.

### Two Types of Dining Cars

The original plans of the Monon for dining service contemplated the use of a dining-bar-lounge car on the streamline Indianapolis trains. Increased business to date and predicted for the future has, however, resulted in ordering full dining cars for these trains. Both types of dining cars have many functional features in common.

The kitchens were designed by the Monon and are equipped largely with material from the hospital cars. Among the hospital-car items that are in use in each kitchen are two ranges, a broiler, coffee urn, steam table, pantry locker, cupboard and sink plumbing. All sinks have three compartments to meet the latest requirements of the U. S. Public Health Service. All water is heated by steam. Exhaust fans from the original cars are used to remove overheated air and cooking odors. The vestibule end of the car was eliminated and the space used for the refrigerator, which came from the hospital cars. The kitchen floor is non-skid steel, screwed in place and the seams welded. The hallway alongside of the kitchen has an outlet for the conditioned air to counteract the heat transmitted through the kitchen walls.

The interior of the dining-bar-lounge car was styled by Raymond Loewy. It contains a dining compartment seating 24 persons, a lounge section with a capacity of 20 people, and a bar. The lounge section in the car already completed contains leather-upholstered settees, built-in seats, end tables, arm chairs and black plastic horse-head lamps. The transverse end wall of the dining compartment has pictures of all the Kentucky Derby winners since 1932. The bar, like the lamps and pictures, also features decorations based on the Kentucky Derby. The bar is made of stain-



less steel with a wood frame and is covered with leather. This leather facing is held in place by gold-plated horseshoes. In the new dining-bar-lounge car the bar will have a decorative effect based on the Indianapolis auto races; the bar leather will be held by miniature automobile wheels.

A false ceiling is used in both types of dining cars. In the completed car this is flat across the top and continues in one piece on into a false side through a short radius. The false side has a depth of about one foot. At its lower extremity the space between it and the car side contains a continuous lighting trough. A stipple finish is given to the false ceiling and wall. Vinyl and Flexwood are used for the walls; both have a cloth backing and are cemented in place. The ceiling sheets and other interior trim in these and other cars are fastened either with Cherry rivets or with self-tapping screws. The Cherry rivets were countersunk and a composition filler applied over the countersunk heads to furnish a smooth surface for painting.

### Parlor-Observation Car

The parlor car has a stateroom complete with chair, settee and private toilet, a lounge and observation section, and a main seating section with a capacity of 25 passengers. The seating section is equipped with Roto-Cline wing-back parlor chairs with air-foam leather-covered arm rests, air-foam cushions, and form-fitting backs. Over each chair is an individual reading light recessed in the overhead hat rack. Running the entire length of the seating section at the bottom of the windows is a Formica-covered shelf 7 in. wide for holding purses, gloves, drinks, etc.

The observation-lounge section of the car is set off from the seating section by a glass partition and has seats for eleven occupants. It is arranged and designed to offer exceptionally good visibility to passengers who wish to view the passing scenery. The end of the car is square and contains three large windows. Facing these windows are two double seats, along the outsides of which are two five-foot windows in the side of the car to give full 180 deg. vision. Behind the two double seats facing toward the rear of the train are two single chairs on each side of the car which are set at right angles to the double seats. Continuing toward the forward part of the car, there is a three-seat combination located on the left side of the car and so arranged that its occupants face the rear of the train.

### Head End Equipment

Vinyl and Flexwood were used extensively in the interiors of the observation section and the parlor section for the wainscoting and pier panels. The evaporator and the air-conditioning pipes from the hospital cars were moved to clear partitions and to make the evaporator accessible for inspection and repair. As with the other passenger and the dining cars, the old heating system was removed and Rador heating equipment installed.

The combination baggage-mail car was rebuilt to the latest specifications of the Railway Mail Service for the mail portion of the car. New windows and

new lighting were installed to government specifications. Thermostatically-controlled zone heating is used. The electrical locker from the hospital car was removed and a smaller one substituted. Air-conditioning ducts were removed and the vestibule platform closed off. The original lighting fixtures were retained in the baggage end and a non-skid floor of steel was installed. Four doors 1½ in. thick were fabricated from Met-L-Wood.

### The Baggage Cars

The baggage cars were reconverted from troop sleepers that were rebuilt from Pullman tourist sleepers. They have a wet-hopper flush-type toilet, a wash basin, desk and a clothes locker. Fin-type radiation taken from the hospital cars is used for heating. The original lighting fixtures were left intact. The cars have solid sides with no windows. The interior sheet steel is fastened with Cherry rivets. The all-steel non-skid floor is screwed in place and welded at the seams. Fish racks, suitably drained, are installed at one end.

There are four sliding doors fabricated from sheet aluminum and extruded aluminum channels; they slide on Z-bar slider tracks. Two of the doors are 6 ft. wide and two are 8 ft. wide, an 8-ft. door being placed opposite a 6-ft. door. On the car already built a streamline turtle-back roof was installed which is 14 ft. high sloping to 13 ft. 6 in. at the ends to a standard A. A. R. contour. Remaining baggage cars will retain the old roof until the first shopping, at which time the streamline roof will be applied.



One of the Great Northern's 360-ton 5,000 hp. single-cab electric locomotives on the railroad's 73 mile electrified Cascade section





Visitors inspect the "Man of War" before its inaugural run

## NEW REVENUE IN STREAM-LINERS ON SHORT RUNS

*Earning records of Central of Georgia's new "Man o' War" as striking as those of the Burlington's "Zephyrs" and the Rock Island's "Rockets"*

By **EDWARD G. BUDD, JR.**  
President, The Budd Company



Short-haul, multiple-stop runs can be "gold mines." This was proved in 1934 with the introduction of the "Pioneer Zephyr" (Lincoln, Neb., to Kansas City, Mo., 210 mi.) by the Chicago, Burlington & Quincy. It was corroborated in 1937 with the early Rock Island "Rockets." And the success of the Central of Georgia's new "Man o' War" indicates that history is repeating itself. Indeed, the success of this latter train has been in every respect as dramatic as that of its predecessors.

"Man o' War" replaces two steam trains on the 117-mile Atlanta, Ga.-to-Columbus run, making two round trips daily. The steam trains had been money losers for years, and the Central of Georgia, with the inauguration of the new streamliner, has made a dramatic attempt to recapture its passenger traffic and to make it an asset rather than a liability.

The new train is a beautiful, all-stainless-steel streamliner, modern in every respect, and equal in its appointments to any of the long-distance luxury trains. It consists of one combination baggage-coach, two full length coaches and an observation tavern lounge where light meals are served. It accommodates a total of 152 pay passengers, and is hauled by a 2,000-hp. General Motors Diesel locomotive.

During the first 30 days of its operation, which included the three-day Fourth of July holiday, "Man o' War" averaged 491 passengers per day, or 81 per cent of capacity. Such a figure might be ascribed to the train's novelty or to abnormal traffic conditions, were it not for the fact that the record for the third quarter's operation is even more impressive. In the first three months of service the new train carried a total of 46,887 passengers, or a daily average of 510. This was 84 per cent of the train's total capacity.

Revenue figures, except for the first month's operation, have not been made available, but this first month showed an increase of 73 per cent in passenger traffic and 43 per cent in passenger revenue. So, in spite of lower fares and the fact that "Man o' War" is doing a job formerly done by two trains, an executive of the railroad was able to report: "May I say that we are well pleased with the results which show a net revenue for each month, and in addition we have stopped the loss on the two steam trains, which prior to the inauguration of 'Man o' War' showed a revenue loss."

### Short Runs Profitable

The plight of the short-haul, multiple-stop runs has had direct bearing on the Budd Company since the day we entered the railway car construction field. In fact, the desperate situation that faced a number of the leading railroads during the early years of the depression might be said to be one of the principal factors which led to our entering the field. The situation was so desperate that drastic measures were necessary, and that is why Budd began to produce the first all-stainless-steel streamline, reserved-seat coach train.

The short haul should be the railroads' closest contact with the public—and therefore an asset of tremendous potentiality. All of us have known these friendly trains that were such an important part of the American scene before the advent of the auto-

mobile and bus. Day after day they brought together the same groups of passengers and trainmen, and fostered a feeling of neighborliness. The railroads were an intimate and vital factor in the community. The loss of prestige which resulted with the curtailment of much of this service was a real blow to the railroads.

One of our strongest contentions, when we began selling trains, was that the short run could be made profitable and that the railroads would be able to regain this lost prestige. We advocated merchandising travel as a commodity with great emphasis on beauty, comfort, safety and speed. We also stressed low maintenance costs. All of these factors were built into our first streamliner, the "Pioneer Zephyr," and we are more convinced than ever that the records established by this and subsequent trains have justified the faith of our customers in our product.

### "Zephyrs" and "Rockets" a Success

When the "Pioneer Zephyr" was put into service, businessmen almost universally believed that the railroads, as far as passenger service—and particularly short-haul passenger service—was concerned, were approaching the end of their respective lives.

The sensational reception of the Burlington's first "Zephyr" exploded these fears. The "Pioneer" was a great success from the beginning. It offered comfortable, economical, and safe service, and its passenger appeal brought additional prosperity to the Burlington's passenger service. And that first streamliner is still going strong after 13 years of profitable service. In fact, we feel that from the standpoint of structural strength, the "Pioneer Zephyr" is in as good condition today as when it first left our plant. The same is true of the fleet of "Zephyrs" that followed. The best indication of the stamina of these trains is found in their availability records. The "Mark Twain Zephyr," which entered service in 1935, has operated 2,029,448 miles of the assigned mileage of 2,107,335—an availability of 96.3 per cent. Over a ten-year period, the "Denver Zephyrs" averaged 95.86 per cent and the "Twin Cities Zephyrs" 97.03 per cent under high-speed schedules and continuous operation. Their daily mileage has been four times the national average.

The financial success of the first Rock Island "Rockets" has been truly sensational. They, too, were part of a depression-conceived program for stimulating passenger traffic. Costing \$402,000 each when they were delivered in September, 1937, these two trains have piled up a net operating income of more than \$8,000,000 in their ten years of service. Thus, on the average, these two trains have paid off the original investment in full in each of the ten years they have been operated. Returns of this sort mean prosperity in any man's language.

The "Rockets" and the "Zephyrs" have made history and broken records. Some might say that the novelty of these trains was responsible for their success. Certainly, the public appreciates departures from the ordinary and commonplace. But the fact that these records have continued over a period of 12 or 13 years proves that these trains have enduring passenger appeal.





A general view of the classification yard looking east toward the departure yard

## THIS MODERN YARD EXPEDITES TRAFFIC

***Union Pacific project at Pocatello, Idaho, includes improved grades, power switches, car retarders, teletypes, talk-back speakers, radio on locomotives and protected car inspection pits***

**A**t Pocatello, Idaho, the Union Pacific has recently constructed a gravity-type classification yard that is "the last word" with respect to grades, grouping of tracks, facilities for inspecting cars in motion, and the use of car retarders, as well as various forms of communication. These systems of communication include pneumatic tubes for transmitting waybills, teletypes for handling train consists, two-way talk-back loud-speakers for conversation between men at various locations, and two-way radio for conversation between the yardmasters and enginemen in the yard locomotives.

Built at a cost of approximately \$2,619,000, the new yard layout, which involved about 600,000 cu. yd. of grading and the laying of 35 mi. of tracks, includes a 14-track receiving yard, a 28-track classification yard, and an 11-track departure yard. Other facilities include a car repair yard, a yard engine fueling station and an extensive system of floodlighting.

Pocatello is a junction of Union Pacific lines from four directions. To the east, a line extends to Granger, Wyo., to connect with the east-and-west main route of the road between Omaha, Neb., and Ogden, Utah. To the west, a line extends through Boise, Idaho, to Portland, Ore., and Seattle, Wash., with other connections to Spokane, Wash. To the north of Pocatello, a line extends to Butte, Mont., and to the south is a line to Ogden, Utah, and Los Angeles, Cal. These lines

through Washington, Oregon and Idaho originate a large volume of fruit, vegetables, lumber, phosphate and live stock. Coal and manufactured products are moved into these territories. Because Pocatello is the hub of these four rail lines, a large percentage of the trains arriving at this point must be classified and made up into new trains for departure. The traffic varies in different seasons, the peak ranging up to about 2,200 cars daily.

Previously, switching at Pocatello was done in two flat yards which had become wholly inadequate for the work to be done. As a consequence, delays and congestion of traffic was serious. Accordingly, no reasonable expense was spared in planning the new gravity yard so that it has a uniformly high capacity to classify cars.

### **One Yard for All Trains**

In the new layout, the receiving yard, classification yard and departure yard extend, in the order named, from the vicinity of the passenger station east for about 3.5 mi. The receiving yard has 14 tracks ranging in length from 2,025 ft. to 6,310 ft. The classification yard was planned for a capacity of 40 tracks, of which 28 are now in service. The departure yard has 11 tracks ranging from 4,640 ft. to 6,245 ft. in



length. These yards are used by trains which arrive on and depart by all four lines extending from Pocatello.

The car repair yard, with five tracks ranging from 1,925 to 2,300 ft. in length, is located to the south of the lead between the classification yard and the departure yard. Five caboose tracks about 820 ft. long are located to the south of the repair tracks. A run-around track for freight trains is located to the north of the yards, and the double-track main line for passenger trains is to the south of the yards.

### **A River Was Moved**

The previous flat switching yards were rearranged and extended to form the new receiving yard. From the east end of this yard, eastward for about two miles, the construction is all new and on new fill. In addition to the previous right-of-way through this area, about 75 acres of property were purchased. Four curves of the Portneuf river channel, totaling 4,400 lin. ft., were filled, and several sections of new channel, 10 ft. deep and 60 ft. wide, were dug, totaling 3,800 lin. ft. The entire yard area was filled to a level such that the top of rail is 6 ft. above record highwater in the river. This fill consists of 600,000 cu. yd. of clay and gravel, which was hauled from a hill about one mile away by means of rubber-tired earth-moving machines with capacities ranging from 12 to 16 cu. yd. For the most part the fill was compacted by the routing of the grading equipment over it, but in a few small areas sheepfoot rollers were used with a limited amount of water. Sections of the old stream bed were filled progressively from one end, thus forcing out the soft slime and mud.

No tile was installed as subdrainage in the fill. Cross drainage is provided by several small culverts, ranging from 30 to 40 in. in diameter, and one 75-in. Multiplate sheet-steel pipe which is located under the crest. New 131-lb. rail was laid on the two new passenger tracks to the south of the yards. All the rail switches, frogs and turnouts in the retarder area are of new 131-lb. material, while the rail in other yard tracks is reused 100-lb.

### **Layout of Classification Yard**

The classification yard was planned and the fill made for a capacity of 40 tracks, of which 28 are in service. The remainder are to be added when required. Two groups of eight tracks each extend down the center, with space on each side for two future groups of six tracks. Beyond each of these spaces, along each side of the filled area, there is a group of six tracks. The reason for locating these six-track groups at the edges of the area, rather than adjacent to the two central groups, was that this procedure permitted the installation of tracks and switches in their permanent locations in the section down the incline, and will permit the subsequent addition of the two other groups with no changes except the insertion of two switches in the main leads.

The classification tracks were thus arranged in groups, rather than connected to ladders, which makes it possible for one car retarder for each group to be used to apply the final retardation for cars going to

any of the tracks in each group. Adequate area was available for lengths of tracks as required for various classifications, without the necessity of using lap switches and, therefore, short ladders were used. The yard tracks are spaced on 14-ft. centers, providing room for a pathway between cars. The 28 tracks now in service have capacities ranging from 24 to 42 cars.

### **Design of Grades**

In general the grade descends from west to east at about 0.2 per cent throughout the receiving, classification and departure yards. From the east end of the receiving yard a grade of 2 per cent ascends to the crest, the elevation of which is about 15 ft. above that at the clearance points of the turnouts to the classification tracks. The height of the crest and the grades down the incline, as shown in the accompanying profile, were designed carefully to adapt operations to the use of power switches and car retarders, which are located as shown in the track plan.

When cars are being pushed over the crest at the usual speed of about 4 m.p.h., the section of 4 per cent grade down the incline serves to accelerate the speed promptly, thus lengthening the separation between cars or cuts of cars to allow space and time in which to operate the switches. From the bottom of this 4 per cent, the grades were designed at gradually reducing percentages to about 0.2 per cent after passing the clearance points on the turnouts on the respective classification tracks.

The descending grades from the crest to the yard tracks will accelerate a lightweight car, such as an empty stock car, so that it will be delivered to its classification track at a speed of at least 5 m.p.h., even though the wind is adverse. For loaded cars or empty cars going too fast, the retarders are used to control the speed to about 3 to 4 m.p.h. as a car leaves the last retarder on each route. The 0.2 per cent grade on the classification tracks is just about right to keep heavy cars moving without gaining speed, under favorable conditions. At the far end of each track there is 250 ft. of ascending 0.4 grade, which reduces the speed short of a hand skate placed on the track to hold the first car.

The power switch machines and car retarders—of the electro-pneumatic type—and the control machines were furnished by the Union Switch & Signal Co. A more detailed explanation of the track circuits, control circuits, batteries and underground cables used in connection with the signals, power switches and retarders appears in the January issue of *Railway Signaling*. Air pressure for operating the switches and retarders is furnished by two Ingersoll-Rand compressors, each rated at 350 cu. ft. per min. and driven by a 75-hp. motor. These motors are controlled automatically to maintain a pressure between 90 and 105 lb. A standby compressor, rated at 500 cu. ft., is driven by a 100-hp. gasoline engine which can be started by pushing a button.

### **Car Inspection**

As the cars are pushed from the receiving yard up toward the crest, they pass a location at which men on each side use pressure equipment to shoot a stream of

warm oil into the journal boxes. This is an aid in causing the cars to accelerate quickly when going down the incline. Along the rails at this location are shallow sheet-metal pans filled with waste to catch any excess oil.

As cars go on up toward the crest they pass the car inspection pits and houses where men inspect the cars from beneath, on the sides and above. At this point a concrete passageway, about 3 ft. wide and 7 ft. high, extends through the fill. From this passageway a door leads to the inspection pit beneath the track, where a car inspector can sit and look through shatter-proof plate glass windows, facing both up and down the track, to inspect the brake beams and other equipment beneath cars. An automatic "windshield" wiper, operated by air pressure, wipes rain or snow off this glass. A steel roof over the inspection pit between windows, at a level 2 in. above the top of the rail, protects the inspector. Ordinarily the inspector watches as the cars approach, but if he wants to take a second glance, he can turn and look through the second window on the receding side. Floodlights, located as shown in the picture, illuminate all the equipment under the car.

#### **Inclosed Pit**

At each side of the track is a pit in which a car inspector stands at a level convenient for watching the sides of the wheels and trucks. These pits also are enclosed with glass, 18 in. high and 4 ft. long, to prevent dirt from falling in the men's eyes. Between the edge of each pit and the near rail is a mirror, by means of which the inspector can watch for cracks in wheel flanges and flaws in journal boxes. These side pits are in the foundation walls of two inspection houses which are 22 ft. high and 6 ft. by 12 ft. in plan, the longer dimension being parallel with the rails. The houses are constructed of 3 in. by 3 in. angle irons, welded, and are enclosed with sheet metal. In the upper section of each structure is a space for a car man to stand where he can look out through an opening to inspect the car roofs, running boards, grab irons and brake wheels.

When any of the five men on duty at this inspection station see a defect on a car, they use talk-back loud-speakers to announce the defect. The car foreman, on the ground, then marks the car and determines whether

it must be switched to the repair tracks. If so, he informs the car-retarder foreman at the crest office, who changes the switch list and informs the retarder operators accordingly.

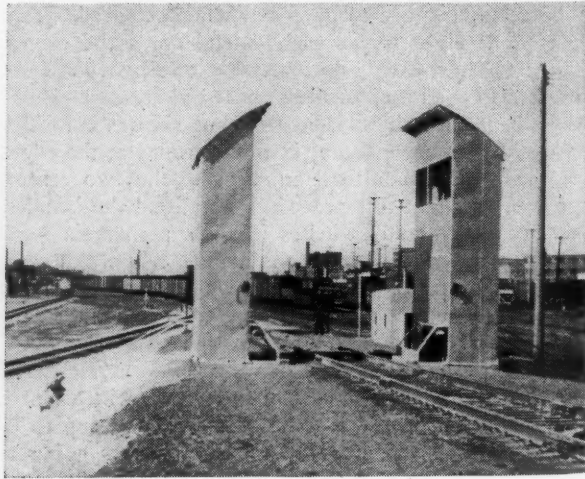
About 100 ft. in approach to the inspection pits is a device which is actuated by any defective equipment hanging below standard clearance where it might strike the glass of the track-center inspection pit. If this detector operates, a red lamp is lighted in the pit to warn the inspector to get out of the pit. A special alarm is also given on the control panel in the office of the retarder foreman at the crest so that he can use his radio and signals to direct the engineman to stop the string of cars being pushed.

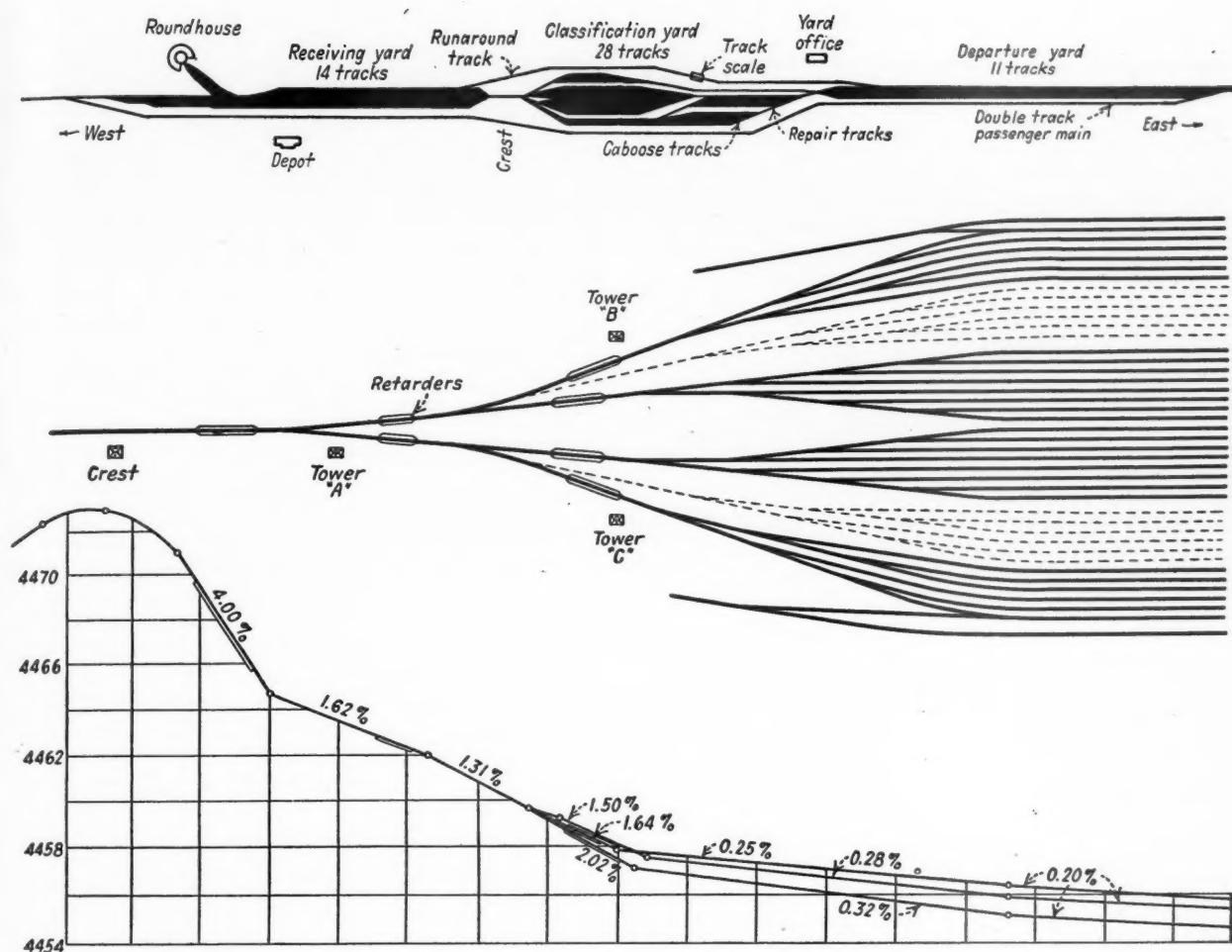
#### **Two Radio Systems**

The seven locomotives used in this yard, all of which are of the Diesel-electric type, are equipped with Bendix radio apparatus. This radio will operate on either of two frequencies, the selection being made by the position of a toggle switch on the panel in the cab of each locomotive. Ordinarily the switch is to the right, which tunes the set on 160.29 megacycles—the frequency of the radio equipment connected with the office of the yardmaster located in the yard office to the north of the departure yard. When a locomotive crew is assigned to push cars from the receiving yard up over the crest to the classification yard, the engineman throws his toggle switch to the left, which tunes his set on 160.41 megacycles to work with the radio station at the two-story building at the crest, so that he can talk to the retarder yardmaster and switch foreman in that building. The radio equipment in the two fixed stations was furnished by Motorola. Jensen speakers and Shure microphones are used in this radio system. The aerial for the station connected to the yardmaster's office is on top of a 100-ft. steel tower used for the floodlighting, and the aerial for the crest office is on top of the two-story building at the crest.

#### **Talk-Back "Intercom" Speakers**

The yardmaster has an office in the yard office building north of the tracks near the departure yard. On his desk he has a console by means of which he can connect his microphone and loud-speaker to any one of the 60 talk-back loud-speakers which are located at





#### FACING PAGE

Left—View of some of the retarders in the classification yard

Right—The car-inspection houses include stations for five men to watch for defects

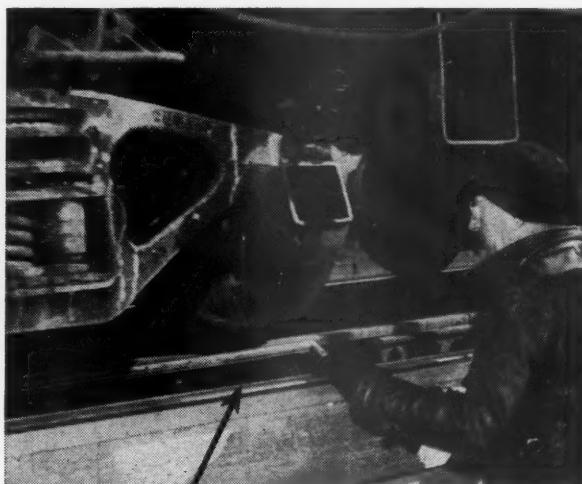
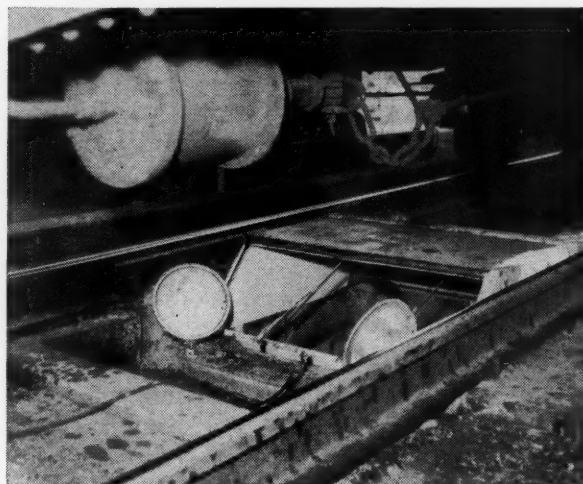
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Top—Plan showing the respective locations of the new yard facilities at Pocatello

Center—Track plan and profile from the crest down through the switches to the classification tracks

Below left—Inspection pits are located under and at each side of the track at the inspection houses

Below right—A mirror, between the pit and the rail, reflects the rim of the wheel—arrow points to the mirror





various places throughout the yard where men are working. These are 8-in. Racon speakers rated at 15 watts and are mounted on 2½-in. pipe masts 7 ft. high, as shown in one of the illustrations. When the yardmaster wants to talk to the foreman of a switch crew he operates his console key corresponding to the talk-back location nearest the crew. He presses his foot switch and speaks into his microphone to call the name of the foreman, then he releases his foot switch. If within 75 ft. of the talk-back, the foreman can hear the call, and the talk-back device will pick up his reply when 25 to 40 ft. away from it. When the conversation is finished, the yardmaster returns the key, corresponding to that talk-back location, to its normal position. If the foreman being called on the selected talk-back speaker does not answer, then the yardmaster connects his microphone to a set of three large paging speakers located in the general area where that foreman should be.

These paging speakers, of the Western Electric type, and rated at 30 watts, are located on poles 50 ft. high, so they can be heard several hundred feet. When a man hears his name called on one of these speakers he goes to the nearest talk-back to answer the yardmaster. There are four groups of paging speakers, three in each group.

### Calling the Yardmaster

When a yard foreman wants to call the yardmaster, he pushes a button on the mast of a talk-back speaker, which sounds a buzzer and lights a lamp adjacent to the key corresponding to that field location. To answer the call the yardmaster throws that key and steps on his foot switch. Thus this loud-speaker system permits the yardmaster to keep in touch with activities throughout the yard and issue new instructions as may be required. This yardmaster, however, does not have supervision of the operation of the classification yard, this work being under the direction of

the retarder yardmaster who is located in the second floor of the building at the crest.

In order to keep the classification yard in operation as much of the time as possible there may be two or more yard crews assigned to the work of pushing cars out of the receiving yard and over the crest to the classification tracks. Each of these crews consists of a foreman, an engineman, a fireman and one or more men who throw switches, pull pins, etc. As each string of cars is ready for classification, the foreman of the crew involved goes to the office of the building at the crest and takes charge of the operation.

### At the Crest

On the desk in this office there is a console including indicating lamps and toggle switches for the control of the two-way talk-back intercommunication between this office and the men in the car inspection pits, as well as the men in the three retarder control towers. Also included in this system is a large outdoor speaker used by the foreman to issue instructions to his men who uncouples the cars as they pass over the crest. Also in the foreman's office is radio equipment for two-way conversation with the engineman in the locomotive which is pushing the cars. He also has a lever for controlling the signals which direct the pushing operation. Green indicates push at normal speed about 4 m.p.h.; yellow indicates push slower; red for stop; and flashing red for back.

Of importance is the fact that exact duplicates of these signal-control levers, radio equipment and talk-back console are located on the desk of the retarder yardmaster, who has his office on the second floor of the crest building, directly above the office in which the switch foreman works. This duplication was provided so that the retarder yardmaster can direct operation of crews when they are in the receiving yard, and so that he can speak directly to the car inspectors and the men in the retarder control towers,

A panel in the yardmaster's office controls the loud-speakers with the exception of those in the office at the crest

A yard man pushes a button on a talk-back speaker to call the yardmaster located in the office in the background

An engineman in the cab of a Diesel-electric switch engine uses his radio to talk with the yardmaster



as well as to the foreman. A more detailed explanation of the equipment, circuits, batteries and cables used in these various communications systems are given in the article, previously referred to, in the January issue of *Railway Signaling*.

While trains are on their way to Pocatello from the last in-advance subdivision point, teletype equipment is used to transmit information concerning the consist of each train. This is received on a reperforator tape printer in the general telegraph office at Pocatello. The man at the telegraph office runs each tape through a tape transmitter which operates page-type printers located in the retarder yardmaster's office in the second floor of the building at the crest of the classification yard, and also in each of the three retarder control towers, and in the general yardmaster's office at the far end of the yard layout. The printer in the retarder yardmaster's office makes two copies. He marks these lists to indicate the cuts of cars and the tracks to which they are to be classified. He gives one copy of this list to the switch foreman of the crew that is push the cars involved over the crest so that this foreman can direct his pin-puller. Also, the retarder yardmaster uses the intercommunication system to direct the men in the retarder towers to mark their lists to indicate the cuts and tracks.

### Waybills Sent in Tube

As a part of this project an underground pneumatic tube was installed to carry the waybills from an office in the receiving yard to the yard office, a distance of 8,800 ft. A cartridge enclosing the waybills is pushed through the tube by air pressure, this movement being aided by pumping air out of the other end of the tube. About three minutes are required to transmit a cartridge the 8,800 ft.

The steel carrier tube, which is 4 in. in diameter, is polished inside and was assembled from 20-ft. lengths with square ends. Joints were made by 6-in. sleeves, using Chatterton sealing compound. To re-

duce the possibility of moisture collecting in the tube, it is enclosed in Orangeburg fiber casing, impregnated with asphalt, and the joints are taped and sealed with bitumastic compound. Where it passes under a track, both the tube and casing are run through an 8-in. steel pipe. The tube is located a minimum of 30 in. below the ground and in order to repair defects quickly 14 manholes were installed. In case of trouble, a joint in a manhole will be opened.

### Floodlights for Night

In order that this yard may be operated efficiently at night it is floodlighted throughout. Five steel towers, 100 ft. high, are located at various places as required. Each tower has from nine to ten or more 1,500-watt Pyle-National floodlight units. Two towers near the crest illuminate the area down the incline through the switches and retarders. Other towers at the far end of the classification tracks illuminate this area so the retarder control men can see where cars are going. Other floodlights on special poles or buildings are located on the repair tracks, oil stations, in the inspection pits and elsewhere as required. The illumination at ground level in the retarder area is 0.5 foot-candles, and in the classification tracks about 0.1 to 0.2 foot-candles.

Two other important facilities in the project are a 150-ton Fairbanks-Morse track scale, and a 680-bbl. tank for fuel oil to service the seven Diesel-electric switch engines used in this yard.

The new yards at Pocatello were constructed under the jurisdiction of W. C. Perkins, chief engineer of the Union Pacific, and J. A. Bunjer, now assistant chief engineer, maintenance, was resident engineer on the project. The installation of the signals, power switch machines and retarders was under the direct supervision of L. D. Dickinson, general signal engineer, and G. R. Van Eaton, superintendent telegraph, had charge of the design and installation of the communication facilities.



# I.C.C. DOUBLES INTERIM RATE INCREASE

**Advance which will average 17.5 per cent overall substituted for 8.9 per cent boost in effect since October; estimated annual yield is \$1¼ billion**

**W**ith the exception of those on grain and grain products, which will be delayed until January 15, the additional freight-rate increases authorized by the Interstate Commerce Commission in its Ex Parte 166 report of December 29, 1947, became effective January 5, having been published promptly in tariffs wherein the railroads took advantage of the five-days-notice permission carried in the commission's order. The delay with respect to the grain rates was agreed to by the railroads after grain interests had complained to the commission that the five-days notice would not give them sufficient time to prepare for the higher charges.

The new adjustment, which the commission's staff estimates will yield additional revenues of \$1,230,000,000 on an annual basis, substitutes an average overall increase of 17.5 per cent for the 8.9 per cent boost which became effective October 13, 1947. Like the latter, it is an interim increase, and it will remain in effect until June 30 unless sooner superseded by commission action on the carriers' permanent proposal calling for overall increases averaging 30 per cent.

The commission set a record for prompt action in granting the additional measure of temporary relief. The case (i.e., the permanent proposal) was submitted to it at the conclusion of oral arguments on December 20, 1947, and only four and one-half working days intervened before the present report was issued at 4 p.m. on December 29. The railroads had not asked specifically for additional interim relief, but they had urged the commission to expedite matters by issuing its order with respect to the permanent proposal even though a report thereon were delayed.

## Another Unanimous Report

Like the previous interim report, the present decision was unanimous. All members participated including Commissioner J. Monroe Johnson, who is also

## Best News of '47—Faricy

"The best railroad news of the year is the prompt and unanimous action of the Interstate Commerce Commission in granting a further interim increase in freight rates," William T. Faricy, president of The Association of American Railroads, said in a statement issued after the Ex Parte 166 decision was made public December 29, 1947.

"The commission," he added, "has shown itself realistically aware of the railroads' critical need for additional revenue to meet increases in costs which have already taken place and at the same time it has allowed itself full opportunity to complete its study of the voluminous record before it. We are confident that when this study is completed, and final action is taken, the commission will grant permanent increases sufficient to insure for the nation a sound and healthy railroad system."

director of the Office of Defense Transportation. And it is the commission's understanding that members of the cooperating committee of state regulatory commissioners "concur generally in our present conclusions."

As noted briefly in *Railway Age* last week, the new adjustment is a general increase of 20 per cent, with exceptions which are expected to bring the overall average advance down to the estimated 17.5 per cent. As stated above, it supplants the previous 10 per cent increase (overall average 8.9 per cent) which was subject to fewer exceptions. In the previous decision the only commodities accorded exceptional treatment were iron ore and coal and coke, including lignite, where the respective increases were 10 cents per ton, net or gross as rated, and 10 cents per net ton and 11 cents per gross ton. The present report puts the ores and concentrates of aluminum, copper, lead, and zinc on the same basis as iron ore, the authorized increases on such commodities being 20 cents per ton, net or gross as rated. Also, the general percentage increases as applied to iron and steel, copper, lead, and zinc, and products thereof are subjected to limitations fixing the maximum increases at 11 cents per 100 lb. or \$2.20 per ton, net or gross as rated.

The increases on coal and coke, including lignite, go up to 20 cents per net ton or 22 cents per gross ton. Coal, coke or lignite moving under rail-water-rail rates or combination all-rail rates, are to be subjected to only a single increase as is that moving over rail-barge or barge-rail routes.

## Upper-Lake Ore Still Out

The increases approved for the railroads are approved also for the petitioning water carriers and freight forwarders, and for application to joint rail-water and rail-motor rates. Meanwhile, however, the commission adhered to the determinations it made in the previous report, providing again that there would be no interim increases in charges for perishable protective services against heat and cold, or in iron-ore line-haul rates to, or handling charges at, the upper Great Lakes ports.

The report was brief, occupying only 6½ mimeographed sheets, including one devoted to a tabulation of the railroads' income and traffic estimate for 1948. That estimate showed that the full increase sought in the proceeding, if effective throughout the year, would make the 1948 net railway operating income \$1,283,200,000 and the net income \$953,900,000. The railroad petitions estimated that the full increase sought would yield additional revenues of about \$2,010,700,000 on an annual basis.

Reviewing developments in the proceeding, the report noted that since the October increase was granted



the railroads have experienced "further substantial increases in their operating expenses," due to the 15½ cents per hour wage increase, effective November 1, 1947, and rules changes granted their conductors and trainmen. It also noted the pending wage and rules demands of the three holdout unions representing other operating employees. Presentations made in the case by government authorities and shippers, the commission continued, indicated "general acquiescence" in the conclusion that the railroads "are in need of substantial increases in revenue from their freight traffic."

"There is sharp disagreement," the report went on, "as to the amount which we might lawfully authorize as just and reasonable and otherwise in conformity with the act both as to the aggregate of the increases and as to their application on many individual commodities and services. The showing in this respect is of the same general nature as was described in our original report, greatly elaborated, and brings into sharp relief questions of importance as to the form and amount of the increases to be allowed as continuing additions to the rates and charges of the petitioners. Obviously this record and these issues must be carefully examined and weighed before permanent or continuing changes are made which involve the rate structure of the whole country. It is our intention to proceed as diligently as possible with such examination."

"We are convinced, however, that there is need for immediate action permitting further substantial increases in the rates and charges of the petitioning carriers and interveners. We are of the opinion that such action should be taken without awaiting the

completion of a further study of the large and detailed record before us. Accordingly, these increases will be authorized for a limited period, during which such study can be made, and this action will be without prejudice to the conclusions which may be reached upon a consideration of the record in all its details."

The report's first finding is like that of the October decision. It stipulates that the further increase is required "(a) for carrying out the purposes of the national transportation policy, and the development, coordination, and preservation of a national transportation system adequate to meet the needs of commerce, the postal service, and the national defense, and in order that freight rates and charges shall be such as to move the greatest volume of traffic, while providing adequate and efficient transportation at the lowest cost consistent with the furnishing of such service, and (b) to enable the petitioning and intervening carriers and freight forwarders under honest, economical and efficient management to provide such service, and (c) to meet increased wages, and additional payroll taxes incident thereto, and increased costs of materials and supplies."

Another finding referred to the railroads' agreement at the time of the October increase to make reparation payments with respect to any shipments on which the interim percentage increase would exceed the maximum amounts of increases set out in limitations embodied in the permanent proposal. Noting that there will now be more of such instances, the finding went on to say that the reparations arrangements should be continued.

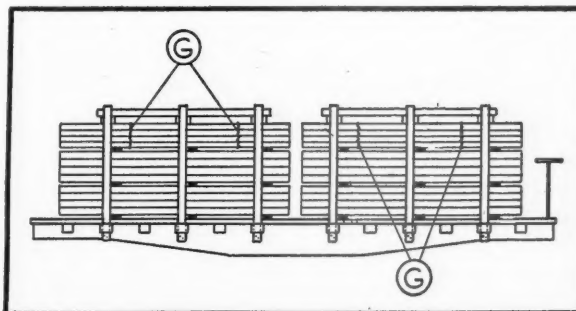
## Revised Lumber Loading Rules Require Steel Binding

Shippers loading lumber on open-top cars will be governed by revised loading rules which became effective January 1. The new specifications provide for tying the top half, or top third, of lumber shipments—depending on the number of separators used—at two locations in each pile, using common wire, high-tension wire or high-tension steel banding. The diagram illustrates the application of the wires or bands. An optional arrangement, requiring fewer side stakes, provides for additional binding from top to bottom at two locations in each pile.

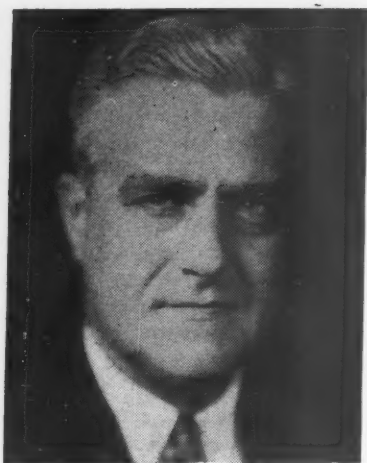
The new loading rules are the result of detailed studies conducted by the Mechanical Division of the Operations and Maintenance Department of the Association of American Railroads, in conjunction with the West Coast Lumbermen's Association and member roads. Nine different types of test loadings applied to a total of 400 carloads of lumber shipped long distances pointed to the desirability of adopting the additional security provided for in the new specifications. Tying of the top half, or third, of the load was found to prevent "fanning out" of the lumber when excessive end-shifting occurred—with the consequent danger of fouling clearance lines—and to reduce the endwise shifting itself to some extent. The reduction in frequency of shopping cars for ad-

justment of lading thus secured expedites the transit of this commodity, thereby increasing the overall supply of open-top equipment.

In the interest of safe transportation, several railroads—notably the Union Pacific and the New York Central—have been banding carload lumber shipments whenever shifting was evident upon receipt at interchange or while en route over their lines.



Additional features required by newly-revised loading rules for lumber shipments are two strands of No. 11 gage black annealed wire, cable-twisted before application, encircling the load at points marked "G." Optional securement is one 1¼-in. by 0.035-in. high tension band, or two No. 8 gage high-tension wires machine-tensioned and twist-tied



John D. Farrington

## BANKRUPTCY ENDS FOR ROCK ISLAND

*New company takes over operations on January 1, to close lengthy case; Farrington, chief executive officer, elected president by new directors*

At 12:01 a.m. on January 1, the Chicago, Rock Island & Pacific emerged from more than 14 years of trusteeship. Termination of court control of the railroad was assured on December 30, 1947, with the signing of the consummation order at Chicago by Federal Judge Michael L. Igoe, who had maintained judicial control of the Rock Island during the past seven years of its reorganization. On January 5, the company's new board of directors (listed in the *Railway Age* of December 27, 1947, page 66) met and elected John D. Farrington, chief executive officer since 1942, as president.

The long and bitterly contentious reorganization case was moved quickly through its final phases following the Supreme Court's refusal on October 20 to review a circuit court ruling, which had reversed a district court order that the case be returned to the Interstate Commerce Commission for reconsideration (see *Railway Age* of October 25, 1947, page 55). The commission gave its final confirmation to the reorganization plan on December 23, leaving the signing of the consummation order as the final step toward the return of the road to owner management.

The plan—the effective date of which is January 1, 1944, reduces the Rock Island's capitalization from \$452,259,000 to \$356,117,327 and wipes out the investments of original common and preferred stockholders. Judge Igoe, who was of the belief that the plan should be altered as a result of the road's wartime earnings, declared that his signing of the final decree was done so under protest. (For the various conflicting opinions in the case and for chronological details of the 14 years' proceedings, see *Railway Age* of June 14, 1947).

Of the new capitalization, \$48,850,060 is mortgage debt, on which fixed annual interest requirements are \$1,934,972. Including contingent interest requirements, the annual charges are \$11,336,510. The new securities include \$30,917,000 in 1st mortgage bonds, \$80,000,000 in general mortgage bonds, 750,000 shares of preferred stock and 1,520,789 shares of common stock. In addition to new securities to be issued, the plan provides for a cash distribution of \$38,290,742 to various creditors. It is expected that the exchange of bonds of the old company for new securities and cash will begin on January 15, at the rate given in the accompanying tabulation.

Formal announcement of the railroad's return to corporate control and management was contained in a

striking newspaper advertisement published on January 5, in which it was stated that the Rock Island quits trusteeship "with a conservative financial structure and ample strength to meet the responsibilities of the future." The road listed its new board of directors in the advertisement, asserting that the board "may be counted on to support Rock Island management in its program of planned progress, which means continuous improvement in plant, continuous improvement in equipment and continuous improvement in service."

Mr. Farrington joined the Rock Island on May 15, 1936, as chief operating officer, following 25 years of operating experience with the Burlington Lines. During the subsequent 11 years, Mr. Farrington was instrumental in bringing about substantial improvements in the railroad's physical plant and in its operating methods. Under his leadership, first as chief operating officer and later as chief executive officer, the net railway operating income of the Rock Island increased from a deficit of \$939,197 in 1935 to \$17,616,000 in 1941, the last prewar year. More recently, net railway operating income for the first 11 months of 1947

### Rates of Securities Exchange

The rates at which new securities will be delivered, on the basis of each \$1,000 principal amount of outstanding bonds and each \$1,000 amount of general unsecured claim (including interest of 5 per cent per annum from July 1, 1933, to December 31, 1947, on B. C. R. & N. stockholders' claims) are as follows:

Outstanding Bonds and Claims	New Securities			
	First Mtge. Bonds	General Mtge. Bonds	Pfd. Shares	Common Shares
C. R. I. & P. First & Ref. 4% .....	\$ 91.9424	\$232.7177	2.096	5.248
C. R. I. & P. General 4% .....	143.7263	454.1424	4.460	3.363
C. R. I. & P. Secured 4½% .....	103.4352	261.8075	2.358	5.905
C. R. I. & P. Thirty-Year Convertible 4½% .....				4.967
B. C. R. & N. Cons. First 5% .....		100	2.5	5.282
C. O. & G. Cons. 5% R. I., A. & L. First 4½% .....	93.8564	487.7514	5.210	1.898
St. P. & K. C. Short Line First 4½% .....	116.0551	267.3893	2.164	4.616
General unsecured claims .....	99.1064	161.3330	1.286	5.745
L. R. & H. S. W. First 4% .....				4.967
	81.9825	188.8842	1.528	.634

was \$19,031,385, or nearly \$4,000,000 above that of the similar period of 1946.

The new president's association with the railroad has been highlighted by a continuous betterment program, costing more than \$100,000,000 up to the end of 1945. This program has brought about, among other things, the reduction of grades, elimination of curves, shortening of lines and strengthening of bridges. These physical changes together with new equipment and the modernization of the old have produced large savings, which were, in turn, available for additional improvements. Typical of these betterments is the five-year, \$15,000,000 track relocation project completed last August which greatly improved the road's route between Chicago and Kansas City. This project alone involved the construction of 90 mi. of roadbed, track and bridges, which in turn reduced mileage substantially and eliminated sharp curves and steep grades.

The efficiency achieved as a result of these and various other improvements may be illustrated by the decrease in the Rock Island's transportation ratio, which dropped steadily during the eight-year period, 1938-1945, from 40.4 per cent at its beginning to 30.1 per cent at its end. Similarly, gross ton-miles per train-hour, which stood at 26,553 in 1938 increased to 36,683 in 1946.

It was in 1937, only a year after Mr. Farrington joined the Rock Island, that the railroad inaugurated its highly successful "Rocket" service. The first of these trains, the "Peoria Rocket," had transported some 2,300,000 passengers and traveled approximately 2,500,000 miles at the time of its tenth anniversary on September 19, 1947.

The new president was born on January 27, 1891,

at St. Paul, Minn., and, after a high school education, entered railway service in the engineering department of the Great Northern in June, 1910. He went with the Burlington later in 1910 as a timekeeper, and then served successively as assistant foreman, foreman and roadmaster in the track department. After being transferred to the operating department he served as assistant trainmaster, trainmaster and assistant superintendent. From 1917 to 1919, he was in the United States Army as lieutenant, captain and major. Following the war he returned to railroad service as superintendent of the Quincy, Omaha & Kansas City (part of the Burlington), and was appointed superintendent of the St. Joseph division of the Burlington on December 1, 1922. The next year he was transferred to the Aurora division; on January 1, 1930, he was advanced to general superintendent of the Missouri district and in May, 1931, he was made general superintendent of both the Missouri and Iowa districts. In November, 1931, he was promoted to general manager of the Ft. Worth & Denver City and the Wichita Valley, with headquarters at Ft. Worth, Tex., which position he held until his appointment as chief operating officer of the Rock Island.

In addition to Mr. Farrington, the following were elected officers of the new company: W. F. Peter, vice-president and general counsel; W. H. Hillis, vice-president—operations; Carl Nyquist, vice-president and treasurer; J. W. Hill, vice-president—freight traffic; W. Vanderpool, secretary and assistant treasurer; A. O. Gibson and J. C. Compton, assistant secretaries and assistant treasurers, respectively, at Chicago and New York; T. A. Graham, general auditor; and W. L. Linnehan and A. J. Messersmith, assistant general auditors.

## PLANNED ECONOMY VS. THE COMPETITIVE SPIRIT

*The integrity of the American economic system is threatened by socialistic inroads; it must be defended by acquainting everyone with the facts about the way it works*

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The annual dinner of the Central Railway Club of Buffalo, N. Y., held in that city on January 8, was the occasion for an address by R. E. Woodruff, president of the Erie—entitled *What Makes America "Tick"?*—excerpts from which are presented here.—Editor.

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Two years ago, when the war ended, we had great hopes that the world would find peace and return to an era of prosperity and better living. But revolutions and the consequences of the war have brought about marked changes throughout the world. Now, the people of most countries are desperate and hungry. They have little more than the bare necessities of life and very few luxuries. The people of America are again being asked to send food and money to these starving nations.

In Russia, the people are on a bread-line basis, with fourteen million of them slaves. The Russian people cannot own property, and have no rights at all. They have been deliberately deprived of about two-thirds of their life savings by the "planned economy" methods of the Russian government through devaluation of the ruble. They are entirely subservient to the government. . . .

The whole world is looking to this country for leadership and help. Some European countries have been making progress during the past few weeks and give evidence of turning toward the right. One of the greatest influences to help will be to clean out the loose-thinking in this country and let everyone know the real reasons for our high standard of living.

In reality, it is Russia and communism that are on trial.

We have demonstrated the superiority of our economic system. If, in due course of time, the other



countries of the world can be made to see the blessings of our way of life, then, by our example, we will have a real chance of helping them on to the road toward success and better living conditions. . . .

Under our form of government, the people are supreme. The freely-chosen government is the servant of the people, not their master; and, individual rights are preserved. However, there has been a growing tendency, particularly during the past two decades; to gradually place limitations and restrictions on private enterprise and the freedom of the people, and to give more and more power to the government. Bit by bit the early limitations and restrictions, which were wisely and far-sightedly placed on the government by our forefathers, have been removed under the plea of recurring emergencies. These are the trends to watch to determine whether our way of life is being threatened.

What makes people believe in socialism or communism? I believe a majority of their rank and file are sincere in thinking, due to the practice of their leaders to distort facts, that under such forms of economy the worker would get a larger percentage of the income of a company, and, therefore, would profit more. The facts are that for the last seventeen years employees in American industries have received 89 cents of each dollar of income produced under our capitalistic system; the remaining 11 cents was available for dividends to corporation owners and for re-investment in the business for future improvements. In the railroad industry the ration was 93 cents for employees and 7 cents for the owners, the latter being either in the form of dividends or plowed back into the property. . . .

### **Money and Machines**

American production is high because of the improved machinery we use. These modern machines were invented and built because someone hoped to make a profit out of their use. To buy them, someone had to save money for investment so that it was the savings of individuals and companies which made this increased standard of living possible. In other words, the savings of individuals and the profits of industry are necessary to an expanding economy. To obtain the money for investment in modern tools and machinery, there must be some incentive and hope of reward. In our American system of doing business, that means profits—there is no other way. . . .

The attitude and opportunities of our people in their everyday living; their desire to strive for better material things; their incentive to work and prosper as individuals, each with the idea of getting somewhere in life—these are the things that have encouraged the individual to save his money and invest it in various enterprises including life insurance companies. It is the desire for profit that is the source and fountainhead of our American way of life. You can call it what you will—free enterprise, competitive enterprise, private capitalism or capitalism.

No economic system has ever created so much wealth in so short a time, and in no other country since the beginning of time have so many people had such rich opportunities to make use of their capacities and to grow intellectually and spiritually. . . .

Let's look at the railroad side of this picture.

Through the investment of more than \$13 billion in the last 25 years for additions and improvements, new

machinery and equipment, which is more than twice the amount paid in dividends, the railroads have been able to handle 44 per cent more freight and passengers at lower cost to the customer, using less man-hours, while increasing the wages of employees nearly 100 per cent. That is also the story in practically every other industry.

This is a country of opportunity. It is true that there are people who would restrict our freedoms—who would like to see us adopt some European methods—who would like to socialize our government—but the record shows that we have done better under our economic system than has been done under any other system that has yet been devised.

It is true that our system is not perfect. We have had depressions; but even in our worst times, we were far better off than the people of most countries in normal times.

### **Correction of Abuses**

When conditions or practices, detrimental to the interest and general welfare of the people, exist, steps are taken to correct them. One hundred years ago great profits were made by promoters of new businesses. Workmen—and even child labor—were exploited and were forced to work excessively long hours. These conditions brought about the formation of labor unions which movement, together with enlightened management, corrected the abuses.

At one time the railroads were forced to give rebates to leading shippers of oil and other commodities, and rate conditions were chaotic. Rate wars were frequent. This was corrected by the passage of the Interstate Commerce Act in 1887.

In years gone by, people lost considerable money through the purchase of worthless securities, and there followed legislation designed to prevent its recurrence.

Business ethics are on a much higher plane today than they were a century ago; and public opinion, in the long run, governs the actions of the people.

When labor leaders became arrogant because they were permitted under the law to do certain things which management was prohibited from doing, their activities were curtailed by the passage of the Taft-Hartley law.

Our whole history has been one of correcting things when they got out of hand, and today our people are living under the best conditions in existence anywhere in the world. We should certainly be unwilling to entertain for a single moment any thought of adopting methods which have proved to be failures in other countries. . . .

In any industry, the customers must be served. They will buy only when it is to their advantage to do so. No company can succeed unless it gives the customer what he wants at a price he is willing to pay. The employees of a company are important—there cannot be any industry without them. The owners of the property are important—there could not be any tools, machinery or plant without the capital which they invested. Working with these three is a group called management. In general, management is comprised of employees, who came up through the ranks and have been entrusted with the responsibility of turning out the goods to please the customers, obtaining an adequate return for the use of the tools and money invested, and providing adequate wages and proper working con-

ditions for the employee. It is to the interest of each of the groups to work together. They are all important, and the self-interest of each is dependent upon whole-hearted cooperation by all of the groups.

### **What Makes America "Tick"**

This, then, in my opinion, is what makes America "tick": Because of freedom of opportunity and freedom of choice, a man can determine what field of endeavor he wishes to follow and select his occupation; he can progress or not, as he chooses—it's up to him. He can work hard if he cares to or be a bum. He can be thrifty and invest his money wisely or he can spend it.

He can purchase a home or rent quarters, which-

ever he chooses. He can change occupations if he sees fit to do so. He can go in business for himself or work for others. There is no caste system.

It is this freedom—this initiative—guaranteed to all by our Constitution, that makes these things possible, along with the attitude of the individual, the competitive spirit of our free-enterprise system, the competition that makes one work harder in order to "go places" in his chosen profession, the ability to get along in the world—to be somebody—to provide better conditions for his family and children than he had—to give them a better education—to see them get ahead in the world. I do not know what you call it, but I know that it is this competitive spirit that makes America "tick."

Let us hope that we will never be without it, and let's do everything in our power to foster and preserve it.

## **COMMUNICATION**

### **A Way to Get Some Stability of Earnings**

TO THE EDITOR:

NEW YORK

The leading editorial in *Railway Age* of December 6, which points out that no system has been provided to insure the railroads adequate earnings, provokes a thought in my mind which I would like to advance for whatever it may be worth, in the hope that it might lead to constructive discussion.

My thought is that the act regulating interstate commerce should be revised so as to require the Interstate Commerce Commission to permit the railroads, under honest and efficient management, to earn a return of not less than 5 per cent nor more than 6 per cent on the value of railroad property devoted to transportation purposes, less depreciation. I know there arises the question as to what is a proper valuation, but I think we have to accept the valuation established by the Interstate Commerce Commission because it is practically impossible to establish hard and fast yardsticks for determining valuation. A rule might be established whereby valuation might be determined by giving certain weight to certain factors such as original cost, cost of reproduction (which varies with changes in prices) to the value of land and rights, and to the actual material and supply balance.

The Interstate Commerce Commission is beset with problems of procedure, which cause a serious time lag in the adjustment of railroad prices to meet increased costs. No one would deny the right of interested parties to be heard in connection with revenue and rate cases, but the very best time schedule that can be worked out under the present method of hearings before the Interstate Commerce Commission, the filing of briefs and of oral argument, involves a serious time lag.

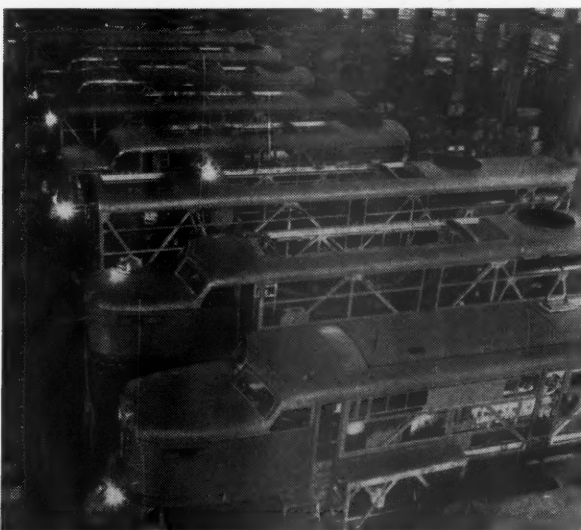
It seems to me that it would be well if the Interstate Commerce Commission, having the obligation to see that the railroads are permitted to earn not less than 5 per cent nor more than 6 per cent on property valuation less depreciation, should in any situation which it finds to be an emergency one be given the right, by law, to either increase or decrease rates on its own motion, without public hearings, such rates to be effective for a limited period, say seven, eight or nine months, during which time the commission would hold public hearings and thereafter establish such rates as are found necessary to carry out the purposes of the act.

The power so given to the commission would be limited so that it would be exercisable only in unusual circumstances, which would of course include the finding by the commission that an emergency exists, and this power would be further limited by the fact that whatever action it took with respect to increasing or decreasing rates would be effective for a temporary period only and further action would depend upon evidence adduced at public hearings. This would overcome the problem of time lag, but it injects a new theory, namely, that the commission, in addition to having the power to increase rates, would have the power to find that unusual circumstances exist warranting either an increase or a decrease in rates and, of course, it would have the added power of *decreasing* rates.

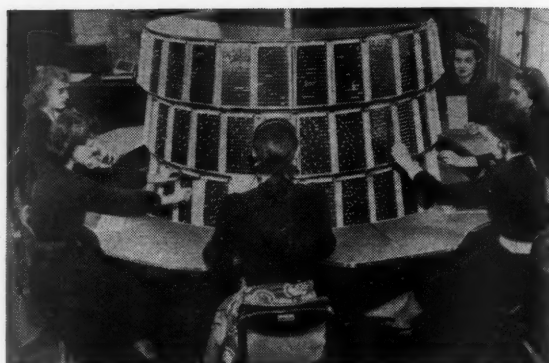
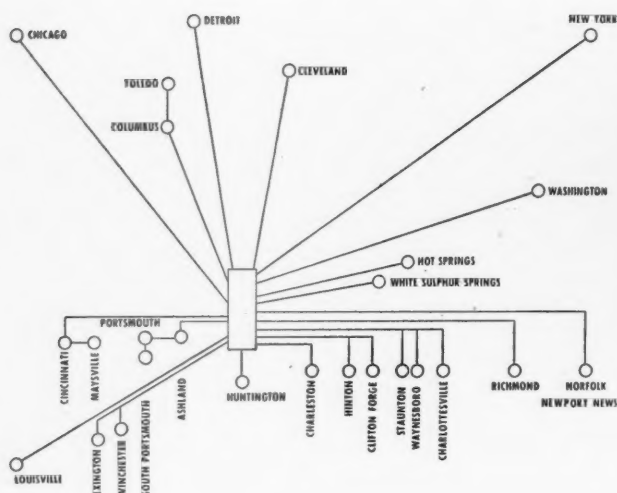
This might seem somewhat revolutionary, but having accepted regulation as necessary, and Congress having declared a specific policy, I think that the railroad industry could well afford to accept the advance in regulation that would derive from granting the commission power to decrease rates.

WILLIAM WHITE

President, Delaware, Lackawanna & Western



A few of the 2,000 hp. Diesel-electric locomotives under construction at the American Locomotive Company's plant at Schenectady



A telephone call from the cities shown in the diagram (left) will connect the caller with the C. & O. Central Reservation Bureau at Huntington, W. Va. The Central Reservation Bureau will have four units like that above, one table each for eastbound and westbound sleeping car and coach reservations.

## C. & O. INSTALLS CENTRAL RESERVATION BUREAU

The Chesapeake & Ohio has announced it will inaugurate its Central Reservation Bureau this month at Huntington, W. Va., where C. & O. reservation clerks will have a complete visual picture of the accommodations available on all the road's Chesapeake district trains. Under the set-up to be established by the C. & O., the prospective passenger will have only to make a 5-cent telephone call from New York, Cleveland, Ohio, or any other of the principal cities on the road's lines, tell the central reservationist the desired time and date of departure, be assigned available accommodations and, if also a holder of a C. & O. credit card, charge it to his account or pay for it later when on board the train. All transactions can be carried on by telephone from one's home, a telephone booth or at terminal ticket offices.

As described by the C. & O., the procedure will be as follows: A passenger wanting to make a trip from Washington, D. C., to Huntington, for example, would begin by looking up the number listed under "C. & O. Reservations" in the Bell Telephone directory. The number is dialed and the passenger is connected with the C. & O. central bureau switchboard operator in Huntington who, after being told the passenger's requirements, dispatches the call to the operator handling westbound sleeper reservations.

The second operator requests complete details from the prospective traveler and looks at a visual reservation table to determine whether the desired space is available. On the table is a panel, resembling a cribbage board, in which are stuck vari-colored pegs for the different types of accommodations. A peg in the spot for the particular date and space the traveler wants would indicate the space is open. If the peg is not there, the space is sold. As each accommodation is assigned, the peg is removed and the reservation is recorded in indexed diagram cards. Another feature of the central control bureau is an arrangement whereby the reservationist will be in a position to give a

comprehensive report about accommodations on any train 56 days in advance.

The Central Reservation Bureau was devised, the C. & O. reports, by the road's own engineers and the Wassell Organization, manufacturers of Produc-Trol. It necessitates a widespread network of direct telephone lines between major on-line cities and the bureau, as well as the use of four visual reservation units. These units, or tables, one each for eastbound and westbound sleeping car and coach reservations, are mounted on three free-swinging, rotating drums around which the operators are seated.

The drum, with its ball bearing mounting, may be swung around to give several operators a chance to work on the table at once. Reservationists will wear new-type headphones and will be seated so that all three drums of the reservation table will be within easy reach.

A staff of trained reservationists will operate the bureau. The girls will be given intensive instruction in telephone etiquette, the operation of reservation boards and all phases of the system. Operators will work in a glass-enclosed, sound-proof room. The bureau, located in the C. & O. building in Huntington, will be under the supervision of Arthur S. Genet, vice-president-traffic. David F. O'Connell, formerly assistant manager of the reservation bureau at Grand Central Terminal, New York, has been appointed day manager of the bureau. G. L. Hightman, Jr., who joined the C. & O. last June as depot passenger agent at Washington, D. C., will be night manager.

Reservations for the following trains will be handled by the bureau: The "George Washington" between Cincinnati and Washington and Phoebus, Va., and between Ashland, Ky., and Louisville; the "Sportsman" between Cincinnati and Washington and between Phoebus and Detroit, Mich.; and the "Fast Flying Virginian" between Cincinnati and Washington and between Phoebus and Cincinnati.



# GENERAL NEWS

## 11 Months Net Income Totalled \$409,000,000

Net railway operating income for the same period was \$700,834,369

Class I railroads in the first 11 months of 1947 had an estimated net income, after interest and rentals, of \$409,000,000, as compared with \$200,500,000 in the corresponding period of 1946, according to the Bureau of Railway Economics of the Association of American Railroads. The 11-months' net railway operating income, before interest and rentals, was \$700,834,369, as compared with \$516,074,515.

Estimated results for November, 1947, showed a net income of \$44,000,000, as compared with \$39,600,000 in November, 1946, while the net railway operating income for the 1947 month was \$65,577,488, as compared with \$64,122,214 in November, 1946. In the 12 months ended with November, 1947, the rate of return averaged 3.57 per cent, as compared with 2.10 per cent for the 12 months ended with November, 1946.

"Comparisons of railroad earnings for 1947 with those of 1946 should take into account the fact that the first six months of 1946 included a period of industrial disturbances, work stoppages and railroad wage increases, and railroad earnings were for that reason abnormally low," the A. A. R. statement said.

**Operating Revenues**—Gross in the 11 months of 1947 amounted to \$7,877,266,128, compared with \$6,990,748,294 in the same period of 1946, an increase of 12.7 per cent. Operating expenses amounted to \$6,165,912,256, compared with \$5,808,357,905, an increase of 6.2 per cent.

Thirty-one Class I roads failed to earn interest and rentals in the 11 months, of which 16 were in the Eastern district, 5 in the Southern region, and 10 in the Western district.

Class I roads in the Eastern district in the 11 months had an estimated net

income of \$134,000,000, compared with a net income of \$26,000,000 in the same period of 1946. For November, 1947, their estimated net income was \$15,000,000, compared with \$10,000,000 in November, 1946.

The same roads in the 11 months had a net railway operating income of \$277,539,333, compared with \$168,147,710 in the same period of 1946. Their net railway operating income in November, 1947, amounted to \$26,228,953, compared with \$20,960,977 in November, 1946.

Gross in the Eastern district in the 11 months totaled \$3,597,952,077, an increase of 15.4 per cent over the same period of 1946, while operating expenses totaled \$2,900,547,570, an increase of 8.6 per cent.

Class I roads in the Southern region in the 11 months had an estimated net income of \$47,000,000, compared with a net income of \$16,500,000 in the same period of 1946. For November, 1947, they had an estimated net income of \$4,000,000, compared with \$5,600,000 in November, 1946.

The same roads in the 11 months had a net railway operating income of \$88,916,789, compared with \$71,073,888 in the same period of 1946. Their net railway operating income in November, 1947, amounted to \$8,364,219, compared with \$10,673,886 in November, 1946.

**In the South**—Gross in the Southern region in the 11 months totaled \$1,080,909,571, an increase of 8.3 per cent compared with the same period of 1946, while operating expenses totaled \$863,206,202, an increase of 3.8 per cent.

Class I roads in the Western district in the 11 months had an estimated net income of \$228,000,000, compared with \$158,000,000 in the same period of 1946. For November, 1947, they had an estimated net income of \$25,000,000, compared with a net income of \$24,000,000 in November, 1946.

The same roads in the 11 months had a net railway operating income of \$334,378,247, compared with \$276,852,917 in the same period of 1946. Their net railway operating income in November, 1947, amounted to \$30,984,316, com-

pared with \$32,487,351 in November, 1946.

Gross in the Western district in the 11 months totaled \$3,198,404,480, an increase of 11.3 per cent compared with the same period of 1946, while operating expenses totaled \$2,402,158,484, an increase of 4.1 per cent.

## Shows Flow of 1947's First-Quarter Traffic

I. C. C. bureau tabulates data from waybills submitted by Class I roads

The Bureau of Transport Economics and Statistics of the Interstate Commerce Commission has issued six tables showing, on a one-per-cent sample basis, the intraterritorial and interterritorial movements of freight traffic as represented by carload terminations reported by Class I railroads for the first quarter of 1947. The data were taken from waybills submitted in response to the commission's September 6, 1946, order requiring Class I roads to file all audited waybills representing their carload terminations which are numbered "1" or with numbers ending in "01."

Figures as to carloads, tons, and revenue are shown in the tables—in total and by five major commodity groups. The figures reflect adjustments whereby the audited bills, as the bureau's statement put it, were "appropriately weighted (1) to include data for certain carriers which have not yet filed copies of all terminated bills called for by the order and (2) to eliminate the effect on the sample of the different waybill numbering systems used by the railroads." Also, there were no tabulations made for forwarder traffic because of the small number of bills involved, and those movements were not included in the totals.

**Summary Data**—The summary table shows that there were recorded on the waybills involved 3,289,285 tons of carload traffic terminated during last year's first quarter. The terminations in Official territory totaled 1,891,851 tons, of which 1,672,477 tons represented intraterritorial movements within that territory. The remainder represented interterritorial movements as follows: From Southern territory, 110,438 tons; from Western Trunk Line territory, 43,468 tons; from Southwestern territory, 22,494 tons; from Mountain-Pacific territory, 24,804 tons; from

### CLASS I RAILROADS—UNITED STATES

	Month of November	
	1947	1946
Total operating revenues	\$755,324,174	\$658,246,778
Total operating expenses	595,314,499	536,140,302
Operating ratio—per cent	78.82	81.45
Taxes	80,116,364	44,987,037
Net railway operating income (earnings before charges)	65,577,488	64,122,214
Net income, after charges (estimated)	44,000,000	39,600,000
Eleven Months Ended November 30, 1947		
Total operating revenues	\$7,877,266,128	\$6,990,748,294
Total operating expenses	6,165,912,256	5,808,357,905
Operating ratio—per cent	78.27	83.09
Taxes	855,387,914	527,168,215
Net railway operating income (earnings before charges)	700,834,369	516,074,515
Net income, after charges (estimated)	409,000,000	200,500,000

Canada, 17,362 tons; from Mexico, 808 tons.

Terminations in Southern territory totaled 456,734 tons, of which 374,264 tons represented intraterritorial movements, the remainder coming 48,289 tons from Official territory, 5,135 tons from Western Trunk Line territory, 23,562 tons from Southwestern territory, 3,939 tons from Mountain-Pacific territory, 1,401 tons from Canada, and 144 tons from Mexico. Terminations in Western Trunk Line territory totaled 386,254 tons, of which 292,646 tons represented intraterritorial movements, the remainder coming 18,591 tons from Official territory, 5,984 tons from Southern territory, 29,669 tons from Southwestern territory, 34,661 tons from Mountain-Pacific territory, 4,586 tons from Canada, and 117 tons from Mexico.

**In the Southwest**—Terminations in Southwestern territory totaled 294,251 tons, of which 236,417 tons represented intraterritorial movements, the remainder coming 13,208 tons from Official territory, 13,334 tons from Southern territory, 14,915 tons from Western Trunk Line territory, 9,710 tons from Mountain-Pacific territory, 6,254 tons from Canada, and 413 tons from Mexico. Terminations in Mountain-Pacific territory totaled 260,195 tons, of which 223,557 tons represented intraterritorial movements, the remainder coming 11,862 tons from Official territory, 2,591 tons from Southern territory, 14,159 tons from Western Trunk Line territory, 5,137 tons from Southwestern territory, 2,334 tons from Canada, and 555 tons from Mexico.

The data on carloads show that 83,086 cars of carload traffic were terminated during the quarter. By territories the terminations were: Official, 45,106 cars of which 38,178 cars represented intraterritorial movements; Southern, 11,980 cars, of which 9,307 cars represented intraterritorial movements; Western Trunk Line, 11,006 cars, of which 7,872 cars represented intraterritorial movements; Southwestern, 7,805 cars, of which 5,979 cars represented intraterritorial movements; and Mountain-Pacific, 7,189 cars, of which 5,730 cars represented intraterritorial movements.

The total revenue involved was \$15,210,466; traffic terminated in Official territory accounting for \$7,808,056, including \$5,423,408 assigned to intraterritorial shipments there. More than half of the revenue assigned to traffic terminated in other territories was earned on intraterritorial movements, the figures being: Southern, \$953,016 out of \$1,805,216; Western Trunk Line, \$1,119,341 out of \$2,209,583; Southwestern \$792,378 out of \$1,478,793; Mountain-Pacific, \$965,233 out of \$1,908,818.

**Commodity Figures**—The breakdown by commodity groups shows that Official territory terminated 136,556 tons of carload traffic in products of agriculture; and that 94,479 of them repre-

sented intraterritorial movements while 20,951 tons came from Western Trunk Line territory and 8,765 tons from Southern territory. Terminations of products of agriculture in Southern territory totaled 37,462 tons, of which 19,934 tons represented intraterritorial movements while 8,197 tons and 5,503 tons came from Official and Southwestern territories, respectively. Western Trunk Line territory terminated 119,963 tons of agricultural products, of which 107,638 tons represented intraterritorial movements. Southwestern and Mountain-Pacific territories terminated 61,038 tons and 32,995 tons, respectively, the intraterritorial movements being represented, in turn, by 49,643 tons and 28,303 tons.

As to animals and products, Official territory terminated 23,888 tons, of which 13,153 tons represented intraterritorial movements and 8,843 tons came from Western Trunk Line territory. Southern territory terminated 3,943 tons, of which only 918 tons represented intraterritorial movements, 1,136 tons coming from Official territory and 1,227 tons from Western Trunk Line territory. The latter terminated 11,959 tons, of which 10,439 tons represented intraterritorial movements. Terminations of animals and animal products in Southwestern and Mountain-Pacific territories totaled 5,111 tons and 5,136 tons, respectively, the intraterritorial movements being, in turn, 3,868 tons and 2,634 tons. Mountain-Pacific territory, meanwhile, received 1,970 tons from Western Trunk Line territory.

Products of mines terminated in Official territory totaled 1,135,459 tons, of which 1,064,947 tons represented intraterritorial movements. The relationships of intraterritorial movements to total terminations in other territories were as follows: Southern, 198,043 tons out of 221,428 tons; Western Trunk Line, 83,986 tons out of 106,723 tons; Southwestern, 92,696 tons out of 101,628 tons; Mountain-Pacific, 84,384 tons out of 87,308 tons.

**Forest Products**—Products of forests terminated in Official territory totaled 63,413 tons, of which 28,449 tons represented intraterritorial movements, while 17,039 tons came from Southern territory, 7,562 tons from Mountain-Pacific territory, and 5,307 tons from Canada. Terminations of forest products in Southern territory totaled 60,207 tons, of which 58,156 tons represented intraterritorial movements. Terminations in Western Trunk Line territory totaled 40,199 tons, of which 23,477 tons represented intraterritorial movements and 10,683 tons came from Mountain-Pacific territory. Southwestern and Mountain-Pacific territories terminated 34,862 tons and 41,319 tons, respectively, the intraterritorial movements being, in turn, 27,376 tons and 39,380 tons.

As to manufactures and miscellaneous, Official territory terminated 532,535 tons, of which 471,449 tons represented intraterritorial movements, while

21,789 tons came from Southern territory, and 12,791 tons from Southwestern territory. Southern territory terminated 133,694 tons, of which 97,213 tons represented intraterritorial movements and 24,521 tons came from Official territory. Western Trunk Line territory terminated 107,410 tons, of which 67,106 tons represented intraterritorial movements, while 18,094 tons came from Southwestern territory, and 13,443 tons from Official territory. Southwestern territory terminated 91,612 tons, of which 62,834 tons represented intraterritorial movements, while 11,181 tons came from Official territory, 6,163 tons from Western Trunk Line territory, and 4,838 tons from Southern territory. Mountain-Pacific territory terminated 93,437 tons, of which 68,866 tons represented intraterritorial movements, while 11,340 tons came from Official territory, and 8,250 tons from Western Trunk Line territory.

The commodity-group tabulations, like the summary table, show the traffic in terms of carloads and revenue as well as tons. The bureau's explanatory statement included this note of caution: "In view of the facts that (1) this is a one per cent sample of terminated traffic, (2) it covers a single quarter, and (3) it is subdivided into five commodity groups and again into 25 territorial movements, it follows that the number of carloads in certain of the resulting groups is small. Caution should be used in drawing conclusions or inferences from these smaller groups because the possible percentage differences between an expanded one per cent sample and the total on which the sample is based will vary inversely with the number of carloads in each group." Attention is also called to the fact that the terminations for last year's first quarter include certain traffic billed prior to January 1, 1947, when the Ex Parte 162 freight-rate increase became effective.

## Two Per Diem Cases Get Further Hearing

Glacy says repair plan puts some ownership costs on using roads

Conflicting opinions as to what factors should be employed in cost studies used for determining a fair and adequate per diem rate marked the continuation at Washington, D. C., this week of hearings on two per diem complaints which have been filed with the Interstate Commerce Commission. Examiner Claude Rice is presiding.

One complaint, filed by the short lines, assails the per diem rates which have been in effect since February 1, 1945, and asks the commission to cut the rate to 95 cents, or to other such



basis as it may determine, and to award reparations. The other complaint was filed by six western roads—the Atchison, Topeka & Santa Fe, Illinois Central, Chicago, Burlington & Quincy, Northern Pacific, Great Northern and Denver & Rio Grande Western—which allege that the former \$1.25 rate, since increased to \$1.50, is too low and therefore a contributing factor to the freight car shortage. The complaints are docketed as Nos. 29587 and 29751, respectively.

G. F. Glacy, comptroller of the Boston & Maine, an intervenor in the short lines' complaint, offered an extensive criticism of testimony presented at previous hearings by Dr. Julius H. Parmelee, vice-president of the Association of American Railroads and director of its Bureau of Railway Economics, and J. P. McDonald, assistant general auditor, Santa Fe. In this connection, Mr. Glacy introduced exhibits calculated to show that the cost of owning a freight car, on the basis of 1946 car utilization, amounted to 93.7 cents per day, as compared with approximately \$1.50, as advanced by Dr. Parmelee, and \$2.06, as asserted by Mr. McDonald.

According to Mr. Glacy, Dr. Parmelee and Mr. McDonald employed theories not supported by railroad precedent or general understanding and, as a result, arrived at excessive costs. Moreover, he added, they made no effort to divide their ownership costs in a way which would show the amount being assumed by the car owner and the amount being assumed by the car user.

As to the cost studies, Mr. Glacy held that the cost of freight car ownership, as developed for any particular year, should be divided by the car ownership for the same year, adding that it is a well established principle that cost figures, in order to be significant, must be related to specific conditions or operation.

Noting that Dr. Parmelee employed a car-utilization factor based on the 1936-45 average, while Mr. McDonald used the 1936-40 average. Mr. Glacy said that "ordinary logic would seem to decree that it would be unfair to apply car utilization of prior years to 1946 freight train car ownership costs if any consideration was given to the fact that 1946 labor and material costs were the highest in the railroads' history." He asserted that "to use substantially high labor and material costs with a low car utilization influenced by depression years could not help but produce a confused and inequitable result."

With respect to his contention that ownership costs shown for owning roads should reflect an allowance for that portion of such costs which is borne by using roads, Mr. Glacy referred to a B. & M. study of its 1946 experience in repairing foreign cars. Included in the study were 70,245 per diem cars, and Mr. Glacy said they averaged two days out of service for re-

(Continued on page 68)

## Johnson Urges Higher Freight Car Output

O. D. T. director lauds railroads' 1947 freight-carrying record

Railroad service adequate to meet the current and future needs of the country can result only from the increased production of freight cars and the better use of present facilities, it was asserted last week by Colonel J. Monroe Johnson, director of the Office of Defense Transportation. Colonel Johnson's warning that present railroad service, although superior to "anything we have seen in recent years by whatever criteria we measure it," is still inadequate, was contained in an O. D. T. review of 1947, a year described as one of "remarkable transportation achievements."

According to the O. D. T.'s report, which was discussed in detail by Colonel Johnson at a December 31, 1947, press conference, the production of new freight cars last month was expected to reach 9,400 units, or 600 less than the monthly goal set earlier in the year. The December figure, it was pointed out, compares to an output of 2,982 cars in January, 1947, and 8,938 cars in November. The total production for 1947, the O. D. T. said, should reach approximately 68,085 new cars.

**Higher Output Forecast**—Elaborating on those statistics, Colonel Johnson declared that, with the correction of material distribution problems, production levels can now be expected to go beyond the initial objective of 10,000 new cars per month. In this respect, he predicted that the monthly output would surge to 14,000 cars in July and to 16,000 in January, 1949. At the same time, he noted that the car building program, taken over by the O. D. T. last March, following the liquidation of the Civilian Production Administration, remains "wholly voluntary" in so far as it pertains to the participation by the railroads, steel industry, car builders, specialty manufacturers and others associated with it.

"The most difficult problem faced was getting materials flowing in proper volume to individual plants," Colonel Johnson said in part. "With a voluntary plan of this kind under conditions of scarcity, there were inevitable dislocations of material resulting from a plant acquiring more of one product that it could use readily in the absence of a full supply of another product needed to fill out materials in full car sets. These conditions have slowly corrected themselves and production levels can now be expected to go beyond the initial objective of 10,000 freight cars per month."

As for the better use of present facilities, Colonel Johnson called attention to three O. D. T. orders now in effect—No. 1, the I. C. I. minimum-loading order; No. 16C, which covers export control; and No. 18A, the carload minimum-loading order.

"Practical savings due to O. D. T. No. 1 are shown by comparing the cars used for I. C. I. traffic in the first 51 weeks of 1947, as compared to the same period of 1946," Colonel Johnson continued. "In 1946, 6,227,803 cars were used; in 1947, 5,986,244, a reduction of 241,559, or 3.8 per cent. While it is true that O. D. T. No. 1 also was in effect in 1946, there were two modifications issued in October of that year which permitted greater elasticity in loading over-head cars that promptly reduced the cars in service and greatly reduced carry-over cars at transfers."

**Sees Orders Effective**—With respect to O. D. T. No. 16C, Colonel Johnson said that it has had a "very good effect" in reducing the number of cars held for ship arrivals. In this connection, he reported that, as of the first week of 1947, 17,302 cars were located at ports awaiting ships, as compared with 12,238 cars as of the third week of December.

The O. D. T. director emphasized, however, that No. 18A is the "one order that perhaps saves more cars than any other activity." "Estimates of tons per car for 1947 show that it will be at least 39.6 tons per car as against 37.7 in 1940 and 35.7 in 1930," he added. "This saving . . . plus savings from O. D. T. No. 1 and No. 16C, makes 225,000 to 250,000 more cars available than would be available for use without the orders."

In urging continued cooperation among all interested groups so that the utilization of transportation facilities in 1948 will be greater than that of last year, Colonel Johnson observed that the railroads last year transported more carloads of freight than in any previous year since 1930, despite the fact that they had 500,000 more freight cars in the earlier year. The 1947 ton-miles, he also pointed out, were 71 per cent above the 1940 total. He went on to note that the shippers' advisory boards, as reported in *Railway Age* of January 3, page 250, expect carloadings during the first quarter of 1948 to exceed those of the same 1947 period by 3.6 per cent.

**Record Turn-around**—The O. D. T. report also hailed the all-time low for turn-around time established last year. "In the month of October," it said, "turn-around time on all freight cars was reduced to 12.4 days, a half-day better than the previous record established in October of 1946. It must be remembered that . . . we are contending with a five-day week, whereas in the years during the war we had six-day weeks and almost continuous operation in some of our large industrial plants. Comparing October, 1947, with October, 1944, the peak war year, our average turn-around, including the absorption of the five-day week, was 1.2 days better than it was in 1944. This is a saving equivalent to 192,000 cars a month."

The report also recalled that the largest wheat crop ever grown in the United States was harvested and transported in 1947. With respect to the export wheat program, it added that, as of



December 18, 1947, "we were 7,000,000 bushels ahead of the program at the ports—much of this program being accomplished since the new harvest came in and during the time of the heaviest demand by domestic commerce."

As for the shipment of other commodities, the O. D. T. said that coal dumped at lower Lake Erie ports totaled 52.5 million net tons during 1947, as compared with 49.5 million net tons during the 1946 navigation season, while shipments of iron ore from upper lake ports aggregated 78 million gross tons last year, as compared with 59 million gross tons in 1946.

The railroads' performance in 1947, Colonel Johnson emphasized, resulted from the cooperative efforts of various government agencies, the shipping public, management and labor. He paid particular tribute to the Interstate Commerce Commission, which, he said, "deserves special commendation for its unremitting and untiring efforts to assist the O. D. T. in every way possible to further and better its car building and car utilization programs."

Also cited were the 1947 transportation records of the motor, pipeline and water carriers. With respect to the latter, the O. D. T. said that, although there has been no "appreciable revival" of water-carrier operations in some coastal areas, there has been a tonnage-wise improvement as compared to 1946, particularly on the inland waterways and in the Atlantic-Gulf and intercoastal trade routes. It added that although package freight operations on the Great Lakes have not been "recovering rapidly," the volume of bulk traffic was maintained at a "high level" last year.

## Higher Corporate Tax Proposed by Truman

**Also calls for economic controls, industrial expansion, river projects**

President Truman's state-of-the-union message which was delivered by him to Congress on January 7, the second day of the new session, called for higher taxes on corporate profits to offset proposed income-tax credits for individuals and recommended again enactment of the President's program of controls to deal with the "major problem" of inflation. Asserting also that the country is "far short" of the industrial capacity it needs for "a growing future," the President suggested that there is need to "strengthen our economic system within the next decade by enlarging our industrial capacity within the framework of our free enterprise system."

"At least \$50 billion," he said more specifically, "should be invested by industry to improve and expand our productive facilities over the next few years." Then, adding that "this is only the beginning," the President went on

to call for "sufficient funds to permit proper enforcement" of present anti-trust laws and the strengthening of legislation "to protect competition"; and for an increase from 40 cents per hour to 75 cents in the statutory minimum wage.

Previously the President had said that the federal government must expand its reclamation program; "continue to erect multiple-purpose dams on our great rivers . . . to extend our inland waterways"; and "achieve a wise use of resources through the integrated development of our great river basins" on the Tennessee-Valley-Authority pattern.

The President's tax proposals recommended that, effective January 1, "a cost of living tax credit be extended to our people consisting of a credit of \$40 to each individual taxpayer and an additional credit of \$40 for each dependent." He estimated that this would reduce income-tax revenue by \$3.2 billion a year, and went on to say that the reduction "should be made up by increasing the tax on corporate profits by an amount that will produce this sum—with appropriate adjustment for small corporations."

Earlier in his address the President had insisted that "until inflation has been stopped there should be no cut in taxes that is not offset by additions at another point in our tax structure." He went on to assert that corporations "can well afford to carry a larger share of the tax load at this time," because their profits reached an "all-time high" in 1947, totaling "\$17 billion after taxes . . . compared with \$12.5 billion in 1946, the previous high year."

With respect to controls to deal with inflation, the President said that the program he recommended in October is still required. At its previous session, Congress enacted but a small part of that program, but that part included an extension, from February 29, 1948, to February 28, 1949, of the President's authority (which has been delegated to the Office of Defense Transportation) to allocate "the use of transportation equipment and facilities by rail carriers." Phases of the program not yet acted upon by Congress would give the President authority to allocate scarce commodities "which basically affect the cost of living or basically affect industrial production"; and to establish price controls on commodities in the same categories, and wage controls to be exercised in cases where increases would "make it impossible to maintain the price ceilings."

The President's recommendation for an increase in the statutory minimum wage was followed in the address by a suggestion that, "in general," there should be reliance "on our sound system of collective bargaining to set wage scales." Next, Mr. Truman recalled his veto of the Labor-Management Relations Act of 1947 (the Taft-Hartley act), adding that while his opinion of that legislation has not changed, he will

"carry out my constitutional duty to administer it." The President also said it was his "sincere hope" that representatives of labor and industry "will bear in mind that the nation as a whole has a vital stake in their bargaining efforts."

Another part of the message referred to the report of the President's Committee on Civil Rights, which was made public last November. That report "points the way to corrective action" against discriminations based on race, creed, color, or national origin, Mr. Truman said, adding that he will send a special message to Congress "on this important subject." As noted in the *Railway Age* of November 8, 1947, page 61, the committee's recommendations included one calling for enactment by Congress of legislation "prohibiting discrimination or segregation, based on race, color, creed, or national origin, in interstate transportation and all the facilities thereof, to apply against both public officers and the employees of private transportation companies." The committee also recommended the enactment of "a fair employment practice act prohibiting all forms of discrimination in private employment, based on race, creed, color, or national origin."

## Southern's "New Yorker" Made First Run

The Southern's Diesel-powered "New Yorker," consisting of Pullmans, a lounge car, a dining car and air-conditioned reclining seat coaches, began its inaugural run from Atlanta, Ga., to New York on January 3. The train's northbound schedule calls for daily departures from Atlanta at 7 p. m., from Gainesville, Ga., at 8:10 p. m., from Greenville, S. C., and Spartanburg at, respectively, 10:15 p. m. and 11 p. m., and arrivals in Washington, D. C., at 9:10 a. m., Baltimore, Md., at 10:17 a. m., Philadelphia, Pa., at 11:48 a. m., and New York at 1:30 p. m.

## Sleet Follows Snow to Harass Railroads in New York Region

Because of the difficult situations created for railroads in the New York area by the record 26-in. snowfall of December 26 many of them were able to regard as only a minor hazard the sleet storm of Thursday and Friday, January 1 and 2. Additional difficulties were, of course, caused by the sleet, but spokesmen for several roads said damage and service interruptions were small when contrasted with the severe trouble during and shortly after the snowfall.

William White, president of the Delaware, Lackawanna & Western, issued a statement on January 2 outlining in detail the steps taken by his company to cope with the sleet. Excerpts from the statement follow: "Electric cars when laid up have pantographs lowered and it was realized that ice would freeze these pantographs in down position. Conse-

quently, crews of carmen were mobilized and sent out to the various terminals in the afternoon of New Year's day to knock the ice off the pantographs, if possible, and have the cars ready for normal operation Friday morning. . . . So-called wire trains with gangs of line-men were sent out . . . in the late afternoon of New Year's day to watch for wire breaks and to repair them as quickly as possible. In the early evening . . . conditions had not been alleviated, therefore steps were taken to mobilize a fleet of steam engines to handle trains on the electric lines if power was not available. For this purpose steam engines were brought from as far away as Scranton, Pa., and all available steam power in the suburban area normally used in yard service was mobilized for the purpose of hauling trains on the electric lines. . . . Main feeder power lines of power companies . . . broke and deprived us of power at some of our sub-stations. In other cases trees fell across our own power lines, depriving us of electric power for the catenary system and also affecting the operation of interlocking plants and signals. When these things started to happen, about 10 p.m., it was foreseen that normal service could not be carried out Friday morning. Radio stations were requested to broadcast information to the effect that the Lackawanna would be unable, Friday morning, to run trains on normal schedules and urging people not to travel on the Lackawanna unless it was absolutely necessary, as only emergency service could be afforded. . . . The preparation made in advance enabled us this morning to operate trains on an emergency basis without conforming to schedules and thus handle as many people as possible. . . ."

Despite the freezing rain, operations on the Long Island have steadily improved since the great snow of December 26 and on January 7 operations were on schedule. J. Russel Sprague, Nassau County Executive, however, filed with the State Public Service Commission on January 6 a petition criticizing the road for its alleged deficiencies during the storm. The petition, which requested a full investigation of the Long Island's situation, was joined in by the Suffolk County Board of Supervisors, and will be taken up by the full five-man commission at its regular session on January 13, probably in Albany, N. Y.

On January 1, A. F. McIntyre, general manager of the road, issued a statement to the press pointing out that of the 4,122 trains scheduled during the period from midnight December 25 through midnight December 31 the Long Island operated a total of 3,267, a performance of 79 per cent, and in addition ran 14 extra trains on New Year's eve to accommodate commuters returning home earlier than usual.

On the New York Central's Harlem division, two of four feeder power lines between Tuckahoe and White Plains

were knocked out by the sleet on January 2. Ten commuter trains were cancelled to reduce the load on the remaining lines and it was approximately six hours before full service was restored. The only other trouble during this period occurred on the Hudson division near Peekskill, N. Y., where five freight cars were derailed on January 2, causing damage to switches and delaying through trains up to 10 hours. This accident was not attributable to the sleet.

By midnight on January 2 the sleet had brought down 158 wire poles along the Lehigh Valley and there were 2,000 breaks in communications and signals lines, principally between Penn Haven Junction, Pa., and Jersey City, N. J. A special repair train was sent out to make repairs as speedily as possible. The dispatcher's line was restored to full service on January 4, all communications lines were restored on January 7 and all signal lines the next day. The delay in restoring communications and signals lines was caused by the failure of independent power plant service along the line. During the period of breakdown, signals were operated manually, trains were ordered to run at restricted speeds for the safety of passengers, and trains east of Lehigh, Pa., and west of Jersey City to Lehigh were delayed from one to three hours.

### G. M. & O. Receiving 15 New Cars

A group of passenger cars consisting of 11 coaches and 4 drawing-room parlor cars is now being completed for the Gulf, Mobile & Ohio at the St. Charles, Mo., plant of the American Car & Foundry Co. Eight of the 68-passenger coaches have been delivered and it is expected that every car will be in service by the middle of this month. The cars are built of a combination of low-alloy, high tensile steel and copper-bearing steel and are mounted on 6-wheel, roller bearing trucks. They have tight-locking couplers, are air-conditioned throughout and feature fluorescent lighting.

The coaches are provided with Sleepy Hollow double seats and wide-vision windows. Cream colored ceilings and tan and green walls offer a contrast to the red and maroon exteriors which are standard on the G. M. & O. Seats are

upholstered in green, with the exception of the four at each end on both sides, which are finished in brown. Each parlor car seats 26 in the parlor section and 5 in the drawing room. Individual seats in the parlor section are upholstered in green or brown, the venetian blinds are in cream and brown and the carpet is of a two-toned garnet color. The drawing room has a settee and two individual chairs, all upholstered in blue.

### Oral Argument on L. C. L. Rates to Be Heard on February 4

Oral argument on the petition filed by Official-territory roads for authority to increase rates on l. c. l. and any quantity traffic will be heard by the Interstate Commerce Commission at its Washington, D. C., offices on February 4. The proposed scale of rates, which was outlined in *Railway Age* of June 7, 1947, page 1184, is calculated to yield approximately \$28,000,000 in additional annual revenues.

### Representation of Employees

Machinists, including their helpers and apprentices, employed by the Cornwall have chosen an individual, Charles Clark, as their collective-bargaining representative, according to the result of a recent election which has been certified by the National Mediation Board. The machinists cast nine votes for Mr. Clark as against six for the United Railroad Workers of America, Congress of Industrial Organizations, which, at the same time, was certified by the N. M. B. to represent the Cornwall's boilermakers, carmen, powerhouse employees and railway shop laborers. None of the foregoing employee groups had previously been represented by any organization or individual.

The N. M. B. also has certified the Brotherhood of Locomotive Engineers, by virtue of a 23 to 19 victory over the Brotherhood of Locomotive Firemen & Enginemen, has retained its right to represent locomotive engineers employed by the Chicago & Illinois Midland. Other board certifications authorized the Brotherhood of Railroad Signalmen of America to extend its coverage of New Orleans & North Eastern signal department employees to include signal foremen, and the Brotherhood of Railway



One of eleven new coaches built for the Gulf, Mobile & Ohio by American Car & Foundry



& Steamship Clerks to assume representation of laundry workers employed by the Atchison, Topeka & Santa Fe. The latter formerly had been without representation.

### I. C. C. Sets Hearing Next Week on Southern Coach Fare Increase

The petition filed by 11 Southern roads for authority to increase their one-way and round-trip coach fares has been assigned by the Interstate Commerce Commission for hearing at the United States Court rooms, Knoxville, Tenn., on January 15. Examiner Burton Fuller will preside.

As reported in *Railway Age* of January 3, page 250, the carriers seek authority to increase their one-way fares by 13.63 per cent or to approximately 2.5 cents per mile and their round-trip fares to approximately 2.25 cents per mile in each direction. Authority also is sought to raise the maximum one-way fare to 15 cents.

The proceeding is docketed as No. 29894, and approval of the proposals would give the 11 roads the same coach fares now effective on virtually all other roads in the South as well as those in the East.

### 44.5 Million Cars Loaded Last Year; 7.6 Per Cent Above 1946

Loadings of revenue freight on railroads of the United States totaled 44,503,349 cars in 1947, "the greatest number for any year since 1930, including those during World War II," according to the Association of American Railroads. The increase over 1946 was 7.6 per cent, the loadings of that year having been 41,341,278 cars.

"As measured by the number of tons hauled one mile," the A. A. R. statement said, "the volume of freight traffic handled in 1947 was the greatest for any peacetime year, exceeding the previous record year 1946 by 10 per cent, and the prewar peak in 1929 by 45 per cent.

"Although carloadings in 1930 were greater by 1,374,625 cars, or 3 per cent, the railroads in 1947, with approximately 535,000 fewer freight cars available than they had been, handled 68 per cent more freight, measured in ton-miles. Freight loadings in 1947 exceeded 1944, the peak war year, by 1,095,054 cars or 2.5 per cent, but due to the longer hauls of freight, ton-miles in 1944 exceeded by 12 per cent the year just ended.

How Record Was Made—"Railroads operated in the past 12 months with

#### Loadings by Commodities—1947 Compared With 1946

	1947	1946	Per cent Increase	Per cent Decrease
Grain and grain products .....	2,726,842	2,497,043	9.2	
Live stock .....	770,282	924,919		16.7
Coal .....	9,088,216	8,004,021	13.5	
Coke .....	732,019	586,890	24.7	
Forest products .....	2,414,704	2,263,246	6.7	
Ore .....	2,651,177	1,995,721	32.8	
Merchandise, L.C.L. ....	6,072,547	6,325,295		4.0
Miscellaneous .....	20,047,562	18,744,143	7.0	
Total .....	44,503,349	41,341,278	7.6	

an efficiency never before attained. They also achieved in 1947 a utilization of freight cars never before equaled. This was accomplished by an increase in the average capacity of freight cars, heavier loading, more prompt loading and unloading, reduction in turn-around time for freight cars, more powerful locomotives, and by the fact that the average number of tons of freight handled per train exceeded all previous records in wartime and all other years."

The 1947 and 1946 loadings by commodity groups are shown in the accompanying table. Last year's loadings in all groups were above those of the previous year, except live stock, down 16.7 per cent, and merchandise, 1. c. l., down 4 per cent.

### Review of B. & O. Readjustment Plan Refused by Supreme Court

The United States Supreme Court last week denied a petition filed by a group of holders of Baltimore & Ohio 4½ per cent convertible bonds for review of the decision of the special three-judge federal court which approved that road's debt-readjustment plan of 1944. The petitioners were headed by Randolph Phillips, whose allegations with respect to the plan were set out at hearings held last year by the Senate committee on banking and currency on that phase which involved the extension until 1965 of a Reconstruction Finance Corporation loan in excess of \$80,000,000. (See *Railway Age* of May 10, 1947, page 954, and previous issues.)

### I. C. C. Extends Waiting Period in Transcontinental Bus Case

The Interstate Commerce Commission has ordered that transactions whereby the recently-organized Transcontinental Bus System proposes to build its network of motor coach routes shall not be consummated before January 15. Division 4's report of December 9, 1947, which approved the transactions, provided that consummation should not be effected within 15 days from that date—or before December 24, 1947.

The division's report was noted in the *Railway Age* of December 20, 1947, page 61. It approved plans and financing whereby all passenger-carrier operating rights of the Santa Fe Trail Transportation Company, subsidiary of the Atchison, Topeka & Santa Fe, will be acquired by Transcontinental in which Trail will have a 39.1 per cent stock interest. At the same time Transcontinental will also acquire Trail's 50 per cent interest in Southern Kansas Grey-

hound Lines, control of the Continental Bus System and its subsidiaries, and the operating rights of Dixie Motor Coach Corporation.

The order requiring delay in consummation of the transactions until January 15 was dated December 26. It stated that it was issued upon consideration of the record in the proceeding (No. MC-F-3504) and of a petition filed December 24 by American Bus Lines for reconsideration and reversal of Division 4's decision. The division's favorable report was accompanied by an order denying a previous American petition for further hearing—a denial which was protested by Commissioner Miller, who filed a separate dissenting expression.

### Probe of Truckers' C. O. D. Rules Set Back Until February 17

The Interstate Commerce Commission has set back to February 17 its scheduled January 13 hearing with respect to its investigation into the rules, regulations and practices of motor common carriers of property governing the handling of C. O. D. shipments and the collection and remittance of C. O. D. funds. The hearing will be held at the commission's Washington, D. C., offices before Examiner J. J. Williams. (See *Railway Age* of December 27, 1947, page 70.)

### Sees Higher Rail L.C.L. Rates Good for Trucking Industry

E. J. Buhner, president of American Trucking Associations, referred in his year-end statement to railroad proposals to increase their l.c.l. rates, calling such proposals indications of a "trend in rate-making destined to result in healthier competition between our industry and other forms of transportation." Another 1947 development listed by Mr. Buhner was what he called "the removal of efforts to win congressional approval of plans calling for integration of various types of transportation into a single system, under a single operating company."

Of the l.c.l. rate situation, he said: "A. T. A. has insisted for years that less-carload rates of the railroads have consistently reflected an actual out-of-pocket loss, and were maintained at low levels solely for questionable competitive purposes. During 1947 there was evidence that the need for correcting this situation has been recognized both by the Interstate Commerce Commission, and even more important, by the railroads themselves. If this observation is correct, for-hire carriers are bound to have healthier competition ahead of them."

To the aforementioned comment on integration proposals, Mr. Buhner added the following: "Such plans clearly would lead to monopolies in transportation and are contrary to the present national transportation policy, written into the Interstate Commerce Act by Congress. Nevertheless, seven bills were introduced at the last session of Congress and each



of them would fairly be considered an opening wedge leading to integration. Although none of them won congressional approval, they certainly will be presented again when Congress opens its regular session in January."

Meanwhile, Mr. Buhner had listed the "two major developments" of 1947 in the motor carrier field as: "(1) The new records set by the trucking industry in the volume of freight handled and the number of vehicles operated, and (2) the great strides that were made toward close coordination of truck service with air cargo service." In the latter connection Mr. Buhner told of A. T. A.'s agreement with Air Cargo, Inc., ground-service affiliate of the certificated air lines, for coordinated operations. "Similar discussions," he also said, "have been going on for some time with the independent air lines affiliated with the Airfreight Association and the same type of agreement is expected to be reached within the near future."

As to 1947 traffic, Mr. Buhner said that the A. T. A. index, based on the 1938-1940 average monthly loadings of reporting truckers, stood at 204 for the year's first 10 months. This compared with 183 for the first 10 months of 1946 and 187 for the first 10 months of 1943, "the previous record year."

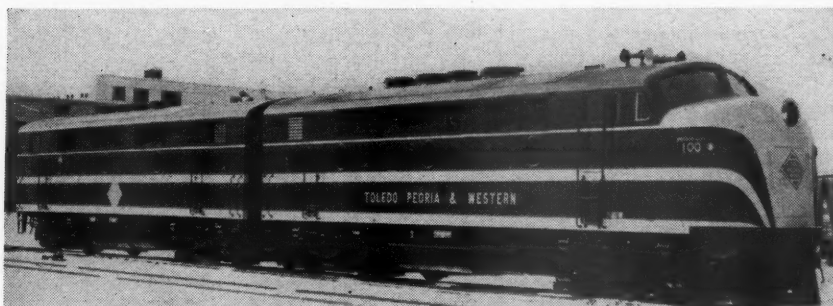
### Accident Reporting Adjusted to Changes in Prices and Wages

Interstate Commerce Commission rules governing the monthly reports of railway accidents have been modified by provisions designed to preserve the year-to-year comparability by adjustments for changing price and wage levels. The modifications were made in a recent order by the commission's Division 1.

They provide that a reportable accident in 1948 will be one causing damage to railway property "amounting to more than \$250, including the expense of clearing wreck, but not damage to or loss of freight or baggage, animals, or property of non-carriers on or adjacent to right-of-way." For several years heretofore a reportable accident has been one causing \$150 damage. The order further provided that for years subsequent to 1948, "upward or downward changes from that [\$250] minimum shall be made in multiples of not less than \$25, depending upon changes in the unit costs comprising accident expense as determined by the commission's Bureau of Transport Economics and Statistics."

### T. P. & W. in the "Black," Buys First Diesel Locomotive

The purchase by the Toledo, Peoria & Western of a 3,000-hp. Diesel-electric freight locomotive, which "may well be the forerunner of complete Dieselization" and the return of the road to profitable operations, was announced at Chicago on December 23, 1947, by J. Russel Coulter, president. The gross revenues of the T. P. & W.,—whose operations



A two unit, 3,000-hp. General Motors F-3 freight locomotive, manufactured by the Electro-Motive Division for the Toledo, Peoria & Western, is one of the first Diesel locomotives for use on smaller roads with level terrain to be equipped with electric retarding brakes. The locomotive is 100 ft., 8 in. long, 10 ft., 7 in. wide and 15 ft. in height over the rails. It carries sufficient fuel for a 500-mile run with a capacity load and has a top speed of 65 m.p.h.

were tied up by a strike for a 20-month period prior to last April—now approximate the road's 1942 revenue level and will total some \$1,750,000 for the eight months of operations during 1947, Mr. Coulter stated.

The T. P. & W. president, who was elected to that position last May, said the road paid \$275,000 cash for the new Diesel built by the Electro-Motive Division of General Motors Corporation. It is the railroad's first Diesel, more of which are expected to be ordered during 1948, Mr. Coulter asserted. The road also plans to spend \$750,000 for deferred maintenance during the coming year.

### James M. Landis Dropped from Aeronautics Board

James M. Landis, chairman of the Civil Aeronautics Board since June, 1946, was not reappointed by President Truman when his term as a member of the board expired December 31, 1947. The White House announced on December 30 that the President did not intend to reappoint Mr. Landis, but Mr. Truman had no further comment when asked about the matter at a press conference on the 31st. Reappointment of Mr. Landis had been urged in a public statement by David L. Behncke, president of the Air Line Pilots Association.

### Young Deplores Pullman Situation; Faricy Challenges His Figures

The nation's Pullman fleet has shrunk from 7,000 fairly new cars twenty years ago to 4,600 "obsolete" cars at present, Robert R. Young, chairman of the Federation for Railway Progress, said in an article appearing in the January issue of Railway Progress, the federation's monthly magazine. Now, Mr. Young said, the "railroad cartel" that operates the Pullman Company is able to fill only one order in three for sleeping cars requisitioned from the pool by member roads and there are only 40 unassigned all-room cars in the Pullman pool.

"Of the entire Pullman fleet, 100 cars are completely un-air-conditioned and

1,200 are still air-conditioned by archaic and asthmatic cakes of ice," he declared. "Despite all this, less than 100 sleeping cars were ordered by all the railroads in the twelve months ended November 30, 1947. At this rate it will take 50 years to replace the Pullman fleet, and at this rate, of course, it will never be modernized—the thing we, 26 months ago committed ourselves to undertake completely and immediately.

"Before, in the sleeping-car operating end," Mr. Young also said, "if service was bad, the railroads could at least complain to Pullman, and threaten to introduce their own service. Today they have no one to complain to about bad service except themselves, and that they never do. The situation is scarcely improved in the manufacturing end. Are A. C. F. and Budd given only enough business by the railroads which comprise the railroad cartel to stop new complaints from an alert Department of Justice? If the railroads were to order sleeping car equipment in the quantities they require, competition in the manufacturing end would be stimulated. As things stand, we are informed that at least one sleeping car manufacturer is so disgusted with its prospects of getting business from the railroads in this new I.C.C.-blessed monopoly that it is about to go out of the business of manufacturing sleeping cars."

William T. Faricy, president of the Association of American Railroads, issued a statement in Washington, D.C., on December 5 in which he said: "Robert R. Young's statement in the press to the effect that fewer than 100 new sleeping cars were ordered by the railroads in the 12 months prior to December 1 is incorrect and is even more seriously misleading in its impression because of the facts left out."

"In the 25 months since the end of the war, railroads other than the Chesapeake & Ohio have put into service and have on order a total of 3,666 new passenger-train cars of all types, including 1,061 sleeping cars. Of this total, 2,340 cars, including 1,005 sleeping cars, are still on order. These orders and installations, moreover, are in addition to more than 600 new sleeping

cars of the lightweight types put into service by the Pullman Company just before the war and more than 2,100 other new passenger cars put into service by railroads since the early days of the streamlined lightweight era in passenger equipment.

"In contrast with this total of more than 6,000 new cars installed or ordered by other railroads, including more than 1,600 new-type sleeping cars, the passenger-train car orders of the Chesapeake & Ohio in the same period totaled 378 cars of all types. Of these, 332 cars, including 97 sleepers, were ordered in 1947. None of these cars have been put into service."

### Non-op Wage Cases on Short Lines Go to Emergency Board

An emergency board appointed by President Truman began hearings January 6 in Washington, D. C., on disputes between unions representing non-operating employees and 18 short lines which have not made wage adjustments in line with the 15½ cents per hour increase awarded as of September 1, 1947, to non-ops on the railroads generally. Members of the board are Dr. Hugh B. Fouke, Methodist minister of Painesville, Ohio, Andrew Jackson of New York, and Grady Lewis of Washington, attorneys.

Railroads involved are: Alabama, Tennessee & Northern; Atlantic & East Carolina; Belfast & Moosehead Lake; Chicago, Aurora & Elgin; Chicago North Shore & Milwaukee; Colorado & Wyoming; Columbus & Greenville; East Tennessee & Western North Carolina; Fonda, Johnstown & Gloversville; Georgia & Florida; Louisiana & North West; Macon, Dublin & Savannah; Meridian & Bigbee River; Midland Terminal; Mississippi Central; Port Utilities Commission (Charleston); Tennessee; and Wichita Falls & Southern.

President Truman's order creating the board provided that each road involved "shall be given independent consideration" in the board's investigation; and that the board's report "shall contain separate and independent findings with respect to each of the carriers involved." As to the 17 non-op unions involved, it is stipulated that they "shall be permitted to function as a unit in proceedings before the board."

### 13.63 Per Cent Coach Fare Hike Sought by 85 Western Carriers

Eighty-five western railroads have asked the Interstate Commerce Commission for authority to increase, on five-days' notice to the public, their one-way and round-trip coach fares to the same level as those now in effect in the East and on a majority of the Southern roads. The one-way fare would be raised by 13.63 per cent or to approximately 2.5 cents per mile, while round-trip fares would go up from 1.98 cents per mile to 2.25 cents.

Authority also is sought by the petitioners to increase to 15 cents the minimum one-way fare on all classes of travel and to raise to approximately 1.8316 cents per mile round-trip trans-continental coach fares. The latter, which apply to travel between Chicago and the Pacific coast, were last increased on June 1, 1947, as reported in *Railway Age* of May 10, 1947, page 953.

According to the petitioners, who seek to make the increases effective "without delay" and "without hearing," their 1947 passenger operations presently indicate a deficit of close to \$200,000,000, as compared with a deficit in excess of \$57,000,000 in 1946. They also told the commission that their passenger revenue for the first 10 months of 1947 totaled \$304,499,700, as compared with \$451,970,300 for the same 1946 period. Their 1946 passenger revenues declined below those of 1945 by 30.95 per cent, they said, although passenger car-miles were only 11.33 per cent less and passenger train-miles 6.19 per cent less.

Higher operating costs, including wage increases and upward revisions in the price of fuel, materials and equipment, were cited by the carriers in support of their petition.

### Freight Car Loadings

Figures for loading of revenue freight for the week ended January 3 were not available when this issue went to press.

Loadings of revenue freight for the week ended December 27, 1947, totaled 599,357 cars, and the summary for that week as compiled by the Car Service Division, A. A. R., follows:

#### Revenue Freight Car Loadings

For the Week Ended Saturday, December 27

District	1947	1946	1945
Eastern	113,131	120,660	102,466
Allegheny	131,115	137,715	111,360
Pocahontas	35,160	41,795	30,520
Southern	95,828	96,872	76,447
Northwestern	67,455	70,860	60,166
Central Western	104,485	107,640	82,201
Southwestern	52,183	52,425	42,817
Total Western Districts	224,123	230,925	185,184
Total All Roads	599,357	627,967	505,977
Commodities:			
Grain and grain products	35,611	44,553	34,845
Livestock	7,129	11,153	11,479
Coal	124,360	135,969	100,923
Coke	14,338	13,833	12,921
Forest products	28,950	27,605	15,839
Ore	11,859	10,194	7,715
Merchandise l.c.l.	86,303	97,492	87,655
Miscellaneous	290,537	287,168	234,600
December 27	599,357	627,967	505,977
December 20	832,120	836,185	687,845
December 13	854,159	828,751	771,594
December 6	878,588	729,084	776,376
November 29	792,339	660,911	803,774
Cumulative total, 52 weeks	44,503,349	41,341,278	41,918,120

In Canada.—Carloadings for the week ended December 20 totaled 75,514 cars as compared with 78,918 cars for the previous week and 73,367 cars for the corresponding week last year, according to the compilation of the Dominion Bureau of Statistics.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
December 20, 1947..	75,514	37,689
December 21, 1946..	73,367	36,431
Cumulative totals for Canada:		
December 20, 1947..	3,892,008	1,885,911
December 21, 1946..	3,633,494	1,768,523

Canadian carloadings for the week ended December 27 totaled 52,803 cars as compared with 75,491 cars for the previous week and 48,205 cars for the corresponding week last year.

	Revenue Cars Loaded	Total Cars Rec'd from Connections
Totals for Canada:		
December 27, 1947..	52,803	33,081
December 28, 1946..	48,205	33,575
Cumulative totals for Canada:		
December 27, 1947..	3,944,788	1,918,983
December 28, 1946..	3,681,699	1,802,098

### I. C. C. Dismisses Washington State's Class-Rate Complaint

Acting upon the request of Washington, the Interstate Commerce Commission has dismissed that state's petition for an extension to Mountain Pacific territory of the interim class-rate adjustment which the commission's No. 28300 decision has applied to other territories. The Washington complaint was noted in the *Railway Age* of September 6, 1947, page 71, and it had been docketed as No. 29819.

The request for its dismissal came in a November 20, 1947, letter which the state's attorney general, Smith Troy, wrote to the commission. "Since the petition was filed," he said in part, "many of the shippers in this area have expressed the fear that it might precipitate a general class rate investigation

in this area which would be inopportune at this time in view of the uncertainties resulting from the rearrangements of the classifications now in progress.

Since the fears entertained by so many shippers may have an adverse effect on



business confidence in this area, and in view of our desire to have every benefit possible for the industries of our state as well as consumers, we have decided to request the commission to dismiss the proceeding at this time and in lieu thereof this office will seek some of the same relief by means of an application to the carriers themselves through the Transcontinental Freight Bureau for a blanket reduction of 10 per cent in transcontinental class rates."

### I. C. C. Launches Two Probes of Interterritorial Rate Divisions

Investigations of divisions of joint rates on "classes and all commodities" between points in Official territory and points in Southern and Southwestern territories have been instituted by the Interstate Commerce Commission. The Official-Southern case is docketed as No. 29885 while the Official-Southwestern case is No. 29886. Both proceedings were instituted as a result of petitions filed by the Official-territory roads.

### N. Y. C. to Re-Equip 28 Trains with Streamlined Cars in 1948

The New York Central will completely re-equip 28 of its principal passenger trains this year with new streamlined cars, Gustav Metzman, president of the road, said this week. Almost as many new cars as are intended for use in the new streamliners will be added to numerous other New York Central trains, he added. This progress, Mr. Metzman continued, is made possible by a steady stream of deliveries of new equipment ordered as long ago as 1944.

The following daily trains were named as destined to be equipped this year with new streamlined cars: The "Twentieth Century Limited," the "Commodore Vanderbilt" and the "Pacemaker" between New York and Chicago; the "New England States" between Boston, Mass., and Chicago; the "Ohio State Limited" between New York and Cincinnati, Ohio; the "Cleveland Limited" between New York and Cleveland, Ohio; the "Detroit" between New York and Detroit, Mich.; the "Wolverine" between New York and Michigan points; the "Genesee" between New York and Buffalo, N. Y.; the "Southwestern Limited" between New York and St. Louis, Mo.; a twilight streamliner between Cleveland and Chicago; a dayliner between Pittsburgh, Pa., and Buffalo; and the "Twilight Limited" and the "Motor City" between Detroit and Chicago.

### Radio Aids Western Roads After Sleet Storm

As the result of a severe sleet storm on January 1, which caused severe damage to pole lines, signal and communications facilities on many railroads in the midwest were badly disrupted. To replace usual wire service temporarily,

various radio facilities were pressed into service to keep trains moving and get urgent messages through, thus minimizing delays and inconvenience to passengers and shippers. For example, on the Chicago, Rock Island & Pacific, where many poles were brought down between Rock Island, Ill., and Bureau, 65 mi., railroad radio equipment was used successfully to considerable advantage. On the Chicago & North Western, which had 500 poles down between Proviso, Ill., and Clinton, Iowa, a distance of 124 mi., disrupting signals and communications, 11 amateur radio stations in Illinois and Iowa, under the control of one emergency station, aided in keeping trains moving and getting important messages through, a task which, lacking these facilities, would have been extremely difficult.

### Probe Left Dormant 24 Years Is Discontinued by the I. C. C.

The Interstate Commerce Commission has discontinued the Ex Parte No. 85 proceeding it instituted in 1923 to investigate the accounting for investment in road and equipment which was employed by the Kansas, Oklahoma & Gulf, the Missouri-Kansas-Texas and the Chicago & Eastern Illinois in connection with their emergence from financial reorganization. Hearings were held in 1923, but there was no further commission action until the discontinuing order, dated December 22, 1947, was issued by Division 1.

### Bus Fare Investigation

The Interstate Commerce Commission has set back to February 16 its scheduled January 28 hearing at Pittsburgh, Pa., in connection with its general investigation of bus fares. The hearing schedule change in the No. MC-C-550 proceeding was contained in a commission order dated December 16, 1947.

### Truman Delegates Transport Powers to Director of O. D. T.

President Truman has delegated to the director of the Office of Defense Transportation (J. Monroe Johnson) the powers embodied in recent legislation which authorizes the President to consult with representatives of industry with a view to encouraging the making of voluntary agreements "providing for allocation of transportation facilities and equipment." The authority is carried in Senate Joint Resolution 167, enacted last month as the previous session of Congress approached its adjournment and signed reluctantly by the President, who had asked for a program of controls to deal with material shortages and price increases.

The resolution, which was sponsored by Senator Taft, Republican of Ohio, also extended until February 28, 1949, the President's power to allocate "the use of transportation equipment and

facilities by rail carriers." This power, under which O.D.T. has been functioning, was previously scheduled to expire February 29, 1948. The President has now extended the term of its delegation to O.D.T. to the new expiration date.

Those provisions of the resolution which authorize the President to encourage voluntary industry agreements for the allocation of scarce materials extend immunity from anti-trust laws to participants in such agreements. The President's Executive Order, which delegated to O.D.T. the authority with respect to agreements providing for the allocation of transportation facilities and equipment, also delegated similar authority in other fields to other government departments. The Secretary of the Interior got the authority as it relates to "priority allocation, and inventory control of fuels." Meanwhile, the order stipulated that no industry agreement should be approved by any of the government agencies "unless it is first submitted to and approved by the Attorney General."

### Wholesalers Association Found Operating as Freight Forwarder

Modifying a previous decision wherein it found the Pacific Coast Wholesalers' Association to be a non-profit organization of shippers operating within the exemption provisions of the Interstate Commerce Act's section 402(c), Division 4 of the Interstate Commerce Commission has now ruled that the Association is engaged in unlawful operations as a freight forwarder with respect to its service in connection with shipments from non-member consignors to member consignees and their customers of goods sold on an f.o.b.-destination or delivered-price basis. Such service, the division now holds, is performed for the non-member consignors, who are the ones responsible for the freight charges involved; and it is thus transportation for hire and for profit.

The ruling came in the division's report on further hearing in the proceeding (Ex Parte No. 160), which was reopened upon petition of the Freight Forwarders Institute. The report requires discontinuance by March 4 of the operations found to be unlawful.

### Two M. P. Trains Collide in Storm; 14 Killed, 44 Injured

Fourteen persons were killed and 44 others injured when the second section of the Missouri Pacific's train No. 9, traveling west from St. Louis, Mo., to Kansas City, crashed into and telescoped the rear sleeping car of the first section, at 7:45 a.m. on January 1. The collision occurred near Otterville, Mo., 175 mi. west of St. Louis, during a heavy sleet and snowstorm, which had placed the first section four hours behind schedule. All of the dead, including the Pullman conductor and porter, were in the demolished sleeping car.



Following the collision, P. J. Neff, chief executive officer of the M. P., issued the following statement: "Reports received so far indicate that there probably was flagrant negligence on the part of certain train employees, as this track is fully equipped with automatic block signals. It appears that these signals were showing red, or stop, indication because of conditions brought about by the storm in this area, and that the precautions called for by the rules under these conditions were completely disregarded."

The road reported that the first section was moving slowly at the time of the crash, but that Otterville, the scene of the collision, is not a stop on the train's schedule. The impact caused by the second section, said to have been moving more rapidly, was so great that it was necessary to burn away sections of the wreckage to remove the bodies from the debris. All but four of the injured were discharged from the hospital after receiving emergency treatment.

#### Would Deepen Upper Mississippi

Representative MacKinnon, Republican of Minnesota, has introduced H.R. 4844 to appropriate \$16,389,000 for the extension of the 9-ft. channel of the Mississippi river above St. Anthony's Falls, Minneapolis, Minn.

#### Shows State Limitations on Truck Sizes and Weights

The Interstate Commerce Commission has issued as information a series of tables wherein its Bureau of Transport Economics and Statistics presents a summary showing of state size and weight limitations generally applicable to for-hire trucks as of December, 1947. The compilation, which occupies 11 mimeographed sheets, is Statement No. 4731 of the bureau.

#### New York Central Announces Commuter Service Improvements

The New York Central announced this week a program designed to improve its suburban service and involving the purchase of 30 air-conditioned multiple-unit electric cars, the scheduling of additional commutation trains, better car lighting and other improvements.

A \$500,000 track enlargement project which will help to expedite service to points on the Harlem division will be opened at Crestwood, N. Y., on January 18. Its completion will make it possible to add 5 rush-hour trains each morning and another 5 each evening on the Harlem division. The new trains will enter service on January 19. Involved in the Crestwood project were the laying of more than 4,000-ft. of new track, the construction of a new 240-ft. passenger platform and the installation of a new interlocking plant, as well as other plant changes.

The 30 new multiple-unit cars, bids for which have been requested, will cover about 10 per cent of the road's New York suburban service requirements. In addition, the overall program calls for the installation on 25 more multiple-unit electric cars, as soon as equipment can be obtained, of the system of voltage regulation which is in experimental use on several N. Y. C. cars. The system is reported to increase the amount of light in commuter cars by about 60 per cent and to eliminate lighting fluctuations caused by voltage variations in the third rail.

#### Signaling Hearings

Hearing on petitions of the Burlington-Rock Island, Colorado & Southern, Ft. Worth & Denver City, Texas & New Orleans and Texas & Pacific for modification of the Interstate Commerce Commission's order of June 17, 1947, which requires railroads to install automatic train-stop or train-control systems, cab signal systems or automatic block signals on lines over which high speed trains are run, will be held January 27, at the Baker Hotel, Dallas, Tex., the commission has announced. Commissioner Patterson will preside, assisted by Examiner E. J. Hoy.

#### General Electric Announces New Policy on Price Changes

The apparatus department of the General Electric Company has announced a price policy providing for a 20 per cent limitation on price increases, if any, which simultaneously permits the company on new orders to adjust prices within this ceiling to those in effect at time of shipment. The policy covers all orders received on and after December 5, 1947, and applies to the firm's apparatus lines such as motors, generators, switchgear, turbines, control, power transformers and locomotives. Many of these product lines, the company explained, still have long backlogs, some up through 1950. In addition to imposing the 20 per cent ceiling upon any increases which may later be necessary because of increasing costs, the new policy provides that any price reductions made will be given immediately to open orders taken under the policy.

#### Chicagoans Form Committee to Oppose St. Lawrence Seaway

A committee of nine Chicago business executives, headed by Fred A. Poor, president of Poor & Co., has been organized in that city for the purpose of opposing the construction of the St. Lawrence seaway and power project. In announcing the committee's formation, Mr. Poor declared that "we'll never have tax relief in America if every section of the country wants to go in for boondoggling and government subsidies for its own selfish interests. The St. Lawrence project represents such an effort on a grandiose scale, at a cost of over one billion dollars. The

toll provision in the legislative proposal, which purports to make the navigation phase of the project self-liquidating, is nothing but a red herring across the trail".

In addition to Mr. Poor, the Chicago committee includes the following members: William Roy Carney, president, Carney Coal Company; W. Homer Hartz, president, Modern Frog & Crossing Works; Whipple Jacobs, president, Belden Manufacturing Company; D. W. Lamoreaux, president, Peerless Equipment Company; Nathaniel Leverone, president, Automatic Canteen Company; Herbert J. Lorber, president, Rollins Burdick Hunter Company; A. T. Murphy, editor, the Black Diamond; and Charles M. Palmer, vice-president, Pittsburgh Steel Company.

#### Harvey, B. R. T. Executive, Dies

Samuel R. Harvey, assistant president of the Brotherhood of Railroad Trainmen, who played an important role in bringing about the recent amicable settlement of differences between the railroads and the train-service unions, died of a heart attack in his hotel room at Chicago on December 17, 1947.

## EQUIPMENT AND SUPPLIES

#### M. P. to Spend \$8 Million in 1948

The Missouri Pacific was authorized by the federal district court at St. Louis, Mo., on January 5, to spend an additional \$6,245,080 for improvements during 1948. These expenditures will supplement \$1,700,000 authorized in the summer of 1947 for the laying of new rail.

#### LOCOMOTIVE

#### Alco Backlog Over \$100,000,000

Railway supply manufacturers, if permitted to operate in a favorable economic climate, will deliver to the nation's railroads in 1948 a record-breaking amount of equipment, Robert B. McColl, president of the American Locomotive Company, said in a year-end statement. The company-wide backlog of orders is well over \$100 million, he added.

"It is likely that during the year ahead," Mr. McColl continued, "the ratio of steam locomotive production to Diesel-electrics will be even further reduced at our Schenectady, N.Y., plant. Ninety-two per cent of our total locomotive backlog is for Diesel-electrics and the 8 per cent steam will be mainly constructed for customers in foreign lands. The overwhelming demand for Diesel-electric locomotives is being reflected elsewhere, too. For example, our Canadian affiliate, the Montreal Locomotive Works, will start manufacturing Diesel-electrics of the Alco-

General Electric design during the year. "The railroads, in 1948, will go through new transitions in maintenance and overhaul practices. With the decline of steam locomotives in operation, more and more shop space will be released for the overhaul of Diesel locomotives."

The proven locomotive for the next decade or two is the Diesel-electric, Mr. McColl concluded. "However, our enthusiasm for the Diesel-electric does not blind us to the prospect of the coal and oil burning gas-turbine locomotives or the application of atomic power to locomotion. In collaboration with several railroads and other industrial firms, Alco engineers are experimenting right now with various phases of the gas turbine locomotive. These experiments are not yet far enough along to be conclusive, but it is a safe prediction that this form of motive power is a prospect for the future. The same is true with the atomic-powered locomotive, but that may be as much as 25 or 50 years away."

## FREIGHT CARS

The CLINCHFIELD is inquiring for 1,000 50-ton hopper cars.

The CHICAGO, ROCK ISLAND & PACIFIC is inquiring for 500 70-ton hopper cars and 1,000 or 2,000 50-ton box cars.

## SIGNALING

THE ATCHISON, TOPEKA & SANTA FE has ordered a 32-lever Model 2 electric interlocking machine from the General Railway Signal Company. This equipment will be used to replace an existing electric interlocker at Dalies, N. M. The new machine will control 10 electric switch machines and 16 signals. Nine levers will be spares. This order includes Type SA searchlight signals.

The BOARD OF TRANSPORTATION OF THE CITY OF NEW YORK has ordered equipment from the General Railway Signal Company for the installation of two NX interlockings, a.c. block signaling, and train stops in the Borough of Brooklyn. One NX control machine, to be located in the Pitkin avenue yard, will have a panel 36 in. high and 165 in. wide equipped with an illuminated track diagram, 442 track lights, 124 entrance knobs, 120 exit buttons, 59 test keys, 45 call-on buttons, 4 power-off buttons, 2 ground-test buttons, 1 panel-dimmer switch, 1 maintainer-call button, 7 traffic knobs, 54 emergency switch-release buttons, 3 ammeters, 1 voltmeter, and 1 emergency-release light for the control of 76 switch machines and 164 signals from Grant avenue through the Pitkin avenue yard. The other NX control machine, to be located at the Euclid avenue station, will have a panel 36 in. high and 147 in. wide equipped with an illuminated track diagram, 333 track lights, 56 entrance knobs, 41 exit buttons, 18 test keys, 2

traffic knobs, 18 emergency switch-release buttons, 43 call-on buttons, 2 emergency-release lights, 1 panel-dimmer switch, 3 ammeters, 1 voltmeter, 4 power-off buttons, 2 ground-test buttons, and 1 maintainer-call button for the control of 33 switch machines and 107 signals between Van Siclen avenue and Grant avenue. Alternating current block signaling and automatic train stops will be installed between Pennsylvania avenue and Grant avenue. Equipment ordered includes Type-B plug-in relays, Model 5 electric switch machines, and Types AT and AW color-light signals.

THE CITY OF NEW YORK, BOARD OF TRANSPORTATION, has awarded a contract to Union Switch & Signal Co. for furnishing block signal and electro-pneumatic interlocking equipment for installation in the Westchester yard, including mainline tracks from East 177th street to Pelham Bay park on the Pelham line in the Borough of the Bronx. The materials involve a UR route type control machine having a 17½-ft. panel equipped with 860 line-of-light track indicating light sections, 128 spot-lights and 299 control levers and buttons. Also included are 75 S type A-10 electro-pneumatic switch movements, 78 electro-pneumatic automatic train-stop layouts, 129 color-light home, approach and dwarf signal units, 48 bumping post signals, plug-in type control relays with racks, power equipment and distribution panels.

The ELECTRO-MOTIVE division of the General Motors Corporation has ordered 30 sets of intermittent inductive train control equipment from the General Railway Signal Company. This apparatus will be installed on Diesel-electric freight locomotives for the Southern.

The MISSOURI PACIFIC has ordered equipment from the General Railway Signal Company to install absolute permissive block signaling on 35 mi. of single track between Piedmont, Mo., and Poplar Bluff. Type K relays, Type D color-light signals, and welded steel relay cases will be used in this installation.

## MARINE

The ERIE has ordered one 1,000-hp. Diesel-electric tugboat from Jacobson Shipyard, Inc., at an estimated cost of \$375,000, with delivery specified within 14 months. The Erie's intention to request bids for the tugboat and 27 additional units of marine equipment was reported in the *Railway Age* of October 11, 1946. Purchase of the other 27 units was reported in the issue of November 29.

## PASSENGER CARS

The NEW YORK CENTRAL is inquiring for 30 air-conditioned multiple-unit cars for commutation service.

## SUPPLY TRADE

### American Steel Foundries Reports Higher Sales

Sales of American Steel Foundries and its subsidiaries were \$54,850,429 in the fiscal year ended on September 30, 1947, compared with \$40,041,182 in the preceding fiscal period, according to the recently released annual report. Net income amounted to \$3,042,303, compared with \$2,692,768. Unfilled orders at the end of the fiscal year totaled \$34,000,000, compared with \$20,000,000.

W. L. Nies, sales engineer of Fairbanks Morse & Co., with headquarters at Chicago, has resigned his connection with that company.

Kenneth F. Ames, a member of the Caterpillar Tractor Company's general sales department, and Russell S. Cornell and Truman E. Sage, district sales representatives, have been appointed assistant sales managers respectively of the firm's Central, Eastern and Western sales divisions. The headquarters of Mr. Ames and Mr. Cornell will be located at the Peoria (Ill.) plant, and that of Mr. Sage at the San Leandro (Cal.) plant.

George A. Baldwin has been appointed manager of the Los Angeles (Cal.) sales office of the Blackmer Pump Company.

Thomas B. Hasler, formerly president of the Wilson Welder & Metals Co., a wholly-owned subsidiary of the Air Reduction Company, has been elected chairman of the board of directors to succeed C. E. Adams, who resigned as chairman and director and F. B. Adams, Jr. has been elected president and a director.

Joseph T. Ryerson & Son, Inc., have announced the appointment of Alfred J. Olson as an assistant sales manager of the Chicago plant to succeed Ray C. Page, who has been appointed sales manager of the company's new steel service plant under construction in the San Francisco, Cal., area.

Harry H. Rose, formerly sales engineer for the Simmons Fastener Corporation, Albany, N. Y., has been appointed general sales manager.

David L. Chamberlin has been appointed vice-president of the John W. Miller Company. Mr. Chamberlin was formerly with the New York Central for 22 years.

The Rapids-Standard Company has announced the removal of its sales and advertising departments to enlarged quarters at the Rapistan building, Grandville, Market & Weston avenues, Grand Rapids 2, Mich., on December 26, 1947.

Formation of the Eastern Carbide Corporation, with offices at 909 Main street, New Rochelle, N. Y., has been announced. Anthony J. Allen, formerly assistant products manager of the Firth-Sterling Steel & Carbide Corp., is president of the new corporation and Walter



**A. Ruppel**, also formerly with Firth-Sterling, is secretary-treasurer of the firm.

**William T. Kelly, Jr.** has been elected first vice-president of the American Brakeblok division of the **American Brake Shoe Company**. Mr. Kelly, vice-president of American Brake Shoe since 1946, joined the company in 1928. In addition to his new duties, he will continue as president of the Kellogg and Engineered Castings divisions.

**Lewis A. Larsen**, vice-president and director of the **Lima-Hamilton Corporation**, has resigned to devote all his time to the **Superior Coach Corporation**, of which he has been president for five years. His new position will be chairman of the board and chief executive officer.

**Henry V. Erben** has been elected a vice-president of the **General Electric Company**, to succeed **Roy C. Muir**, who has retired after more than 42 years of service. Mr. Erben, who was formerly a commercial vice-president and assistant general manager of the apparatus department, has been appointed general manager of the department, in addition to his vice-presidency.

The **Lyon-Raymond Corporation** has announced the appointment of **George G. Raymond, Jr.** as sales manager, **William L. Peck** as assistant sales manager, **Frank Forsberg** as factory manager and **Seth Wiley** as purchasing agent.

**W. H. Scherer**, formerly assistant to the vice-president in charge of manufacturing of the **Worthington Pump & Machinery Corp.**, has been appointed general manager and elected a director of the **Ransome Machinery Company**, Dunellen, N. J., a subsidiary of Worthington. Mr. Scherer has served as acting manager of Ransome since June, 1947.

**Fred L. Ford** has been appointed sales manager of the coated and plastic fabrics department of **Goodall Fabrics, Inc.** Mr. Ford was formerly in charge of sales of the **Keratol Company** and subsequently director of sales of the **Zapon-Keratol division** of the **Atlas Powder Company**.

**American Steel Foundries** has announced the acquisition of the machine tool business of the **King Machine Tool Company**, Cincinnati, Ohio, to be operated as the **King Machine Tool division** of **American Steel**. This new acquisition will be operated and managed by **R. D. Briz-zolars**, vice-president and **C. F. Elmes**, vice-president. **Charles F. Muller**, formerly president of the **King Machine Tool Company** has joined the new management staff.

**W. H. Croft, Sr.**, president of **Magnus Metal Corporation**, with headquarters at Chicago, has been appointed chairman of the firm's board of directors. **W. H. Croft, Jr.**, executive vice-president, succeeds the elder Mr. Croft as president. Other new appointments are as follows:

First vice-president, **W. P. Carney**; vice-president and controller, **J. P. Borda**; vice-presidents, **N. P. Lyons**, **J. E. Brown**, **W. D. Hickey**, **G. A. Murphy**, **M. J. Turner** and **G. F. Mueller**; assistant to president, **C. L. Kyle**; assistant controller, **E. W. Sims, Jr.**; secretary and treasurer, **J. M.**



**W. H. Croft, Sr.**

**Fabian**; and chief engineer, **R. J. Shoemaker**.

The senior Mr. Croft entered the employ of the **Hewitt Manufacturing Company** (later **Magnus Metal Corporation**) in 1893, and since that date has served in various executive capacities. He became first vice-president in 1915 and president in 1927.

The younger Mr. Croft joined the **Magnus Metal Corporation** in 1927, and



**W. H. Croft, Jr.**

from March, 1934, to December, 1935, was manager of the company's **Topeka (Kan.) plant**. On January 1, 1936, he was appointed assistant vice-president, with headquarters at New York, and he became executive vice-president in November, 1947.

Mr. Carney has been associated with **Magnus Metal** since 1902, becoming assistant to vice-president in charge of sales at New York, in 1910. He was appointed vice-president in charge of sales at Chicago in 1927.

**J. L. Grant** has been appointed office engineer and **Robert C. Schulze** assistant general sales manager, of the **P. & M.**

**Co.**, both with headquarters at Chicago. **Charles J. Miller** has been appointed assistant eastern manager, with headquarters at New York.

## OBITUARY

**James McHenry Hopkins**, chairman of the board of directors of the **Camel Sales Company**, a subsidiary of the **Youngstown Steel Door Company**, at Chicago, died at the Presbyterian hospital in that city on December 20, 1947, following a short illness. He was 81 years old.

**Harry L. Frevert**, director of the **Midvale Company** and president from 1931 to 1944, died on December 11, 1947, after a short illness.

**James William Place** died on December 25, 1947, at Dallas, Tex. He was 83 years old. Mr. Place formerly was connected with the **Illinois Central** and the **Missouri-Kansas-Texas** but for the past 25 to 30 years had been in the railway supply business, with headquarters in Dallas. At the time of his death he represented the **Ross & White Co.**, the **Luminator Company**, the **Collins & Aikman Corp.**, **Fishoilene, Inc.**, the **Chicago Malleable Castings Company**, the **West Bend Equipment Company** and the **Melflex Products Company**.

**Hans B. Kraut**, chairman of the board of the **Giddings & Lewis Machine Tool Co.**, **Fond du Lac, Wis.**, died recently at his winter home in **Tucson, Ariz.**

## ORGANIZATIONS

A meeting of the **Northwest Car Men's Association** will be held at the **Midway Club**, **St. Paul, Minn.**, at 8 p. m., January 12. The program will consist of a discussion of proposed changes in **A. A. R. rules**.

The **St. Lawrence Seaway and Power Project** will be discussed at a luncheon in the **Imperial Ballroom** of the **Hotel Statler**, **Boston, Mass.**, on January 12 at 12:30 p. m.

A dinner meeting of the **New England Railroad Club** will be held at the **Hotel Vendome**, **Boston, Mass.**, on January 13 at 6:30 p. m. **Otis A. Donagan**, general storekeeper, **Boston & Maine**, will present a paper entitled "Changing Times—Railroad Storekeeping."

The **Northwest Locomotive Association** has scheduled a meeting for January 19 to be held at **Woodruff Hall**, **St. Paul, Minn.**, at 8 p. m. A sound film entitled "Diesel Engine Cylinder Heads" will be shown.

The twenty-sixth annual **Engineering Convention** and third annual **Engineering Exposition of the Minnesota Federation of Engineering Societies** will be held at the **Municipal Auditorium**, **St. Paul, Minn.**, February 11-14 inclusive.



## CAR SERVICE

I. C. C. Service Order No. 104 (sixth revised), which provides for the substitution of RS type refrigerator cars for box cars ordered for westbound carload shipments, has been modified by Amendment No. 1, effective January 1. The amendment allows cars subject to the order to be stopped in transit for partial unloading at any point west of Chicago, Peoria, Ill., St. Louis, Mo., and the Mississippi river, provided such stop-off is authorized by the applicable tariff, and provided that not less than 10,000 lb. of freight are unloaded at each stop-off point.

I. C. C. Service Order No. 791-A, effective December 31, 1947, suspended until January 31, Service Order No. 791, which has provided car-supply priority for government wheat loadings in the Pacific Northwest.

I. C. C. Service Order No. 396, which requires reconsignment of refrigerator cars within 48 hours from the first 7 a. m. after arrival at a diversion point, has been modified by Amendment No. 12, which provides that the period from 7 a. m. December 24, 1947, to 7 a. m. January 5, shall not be counted in computing the 48-hour period within which reconsignments must be made. Previously the expiration date of the order had been set back from December 31 to October 10, 1948.

I. C. C. Service Order No. 798, which applies demurrage rules to private tank cars held on private tracks, has been modified by Amendment No. 1 which exempts from the order's provisions TMI cars loaded with liquid rubber latex.

The Interstate Commerce Commission has extended several service orders which had been scheduled to expire December 31, 1947. The orders, extending amendments and new expiration dates are as follows:

No. 68 which prohibits the furnishing of two small cars for a larger car ordered, and suspends tariff rules which permit application of minimum weights lower than those provided for the car used. Amendment No. 17—December 20.

No. 93 which provides for the use of giant refrigerator cars at freight rates applicable on the same commodities in standard reefers. Amendment No. 12—June 5.

No. 95 which makes the manager of the Refrigerator Car Section, Car Service Division, A.A.R., the I.C.C. agent to control the distribution and use of refrigerator cars. Amendment No. 8—June 30.

No. 129 which suspends the operation of Section 2, Rule 32, Consolidated Freight Classification, insofar as it requires payment for body ice taken from refrigerator cars by consignees. Amendment No. 5—June 15.

No. 436 which requires railroads to pull empty refrigerator cars within 24 hours after unloading and to forward promptly to loading territory. Amendment No. 6—April 20.

No. 534 (revised) which appoints Chairman W. C. Kendall of the A.A.R.'s Car Service Division as I.C.C. agent to control the distribution of empty cars. Amendment No. 3—December 15.

No. 558 (revised) which permits the substitution of refrigerator cars for box cars for the transportation of fruit and vegetable con-

tainers and box shooks from Washington, Oregon, Nevada and California to destinations in California. Amendment No. 6—July 18.

No. 646 which provides that vegetable shipments from the Salinas-Watsonville district of California may be initially iced at Roseville, Cal., San Jose or Stockton. Amendment No. 3—June 30.

No. 692 which requires the reconsignment of lumber and kindred products within 48 hours from the first 7 a. m. after notice of arrival at the diversion point. Amendment No. 3—October 10.

No. 699 which permits the substitution of stock cars for 50-ft. box cars for the transportation of petroleum containers from specified central-western points to destinations in the Southwest. Amendment No. 3—August 5.

No. 772 (revised) which requires the Green Bay & Western and the Kewaunee, Green Bay & Western to maintain normal freight-car interchange arrangements with the Ahnapee & Western. Amendment No. 1—April 30.

The Office of Defense Transportation's minimum-loading order applicable to carload freight has been modified to exempt from its provisions carload shipments of cotton between points in states other than California and Arizona. The modification was embodied in General Permit ODT 18A, Revised 3A, effective December 22, 1947, which also prohibits the use of more than two cars for 50,000-lb. minimum carload shipments of flat cotton from points of origin in Arizona and California to compress points in those states.

I. C. C. Service Order No. 799, effective from December 22, 1947 until April 20, unless otherwise modified, authorizes railroads serving points in California and Arizona to substitute for the loading of uncompressed cotton not more than four P. F. E. refrigerator cars bearing numbers 923 to 33514, inclusive, for each box car ordered; and two such P. F. E. cars for each box car ordered for the transportation of compressed cotton. The order stated that the P. F. E. cars involved "are not suitable for transporting commodities requiring protective service."

## FINANCIAL

**ALTON.—Reorganization.**—Division 4 of the Interstate Commerce Commission has fixed maximum limits of final allowances for services and expenses of parties in interest and their counsel during the period from February 20, 1946, to the "end of the proceedings" in connection with the reorganization proceedings of this road under section 77 of the Bankruptcy Act. The commission allowed \$41,079 on claims amounting to \$56,779. Among the larger allowances fixed were the following: Louis Boehm and Bernard D. Fischman, as counsel for the S. B. Gibbons protective committee for holders of Chicago & Alton refunding-mortgage 3 per cent bonds, due 1949, \$17,351 (including \$498 expenses for Healy & Stickler, other committee counsel) on a claim of \$32,551; Perkins, Malone & Washburn and Follansbee, Shorey & Schupp, as counsel for the United States Trust Company, trustee

for 6 per cent guaranteed preferred stockholders of the Kansas City, St. Louis & Chicago, \$15,065, on a claim of the same amount; Oliver & Donnelly, as counsel for the so-called mutual savings bank group which received \$1,389 on a claim of the same amount), \$3,000, on a like claim; and Helen W. Munsert, as attorney for the Joliet & Chicago, \$1,323, on a similar claim.

**CENTRAL OF NEW JERSEY-CENTRAL OF PENNSYLVANIA.—Equipment Trust Certificates.**—These roads have applied to the Interstate Commerce Commission for authority to assume joint liability for \$1,950,000 of Series A equipment trust certificates, the proceeds of which will be applied toward the purchase of 15, 1,500-hp. Diesel-electric freight locomotive units, at an estimated total cost of \$1,875,000, and 125 70-ton covered cement hopper cars, at an estimated unit cost of \$5,800. The locomotives will be purchased from the Baldwin Locomotive Works, and the hoppers will be acquired from the Bethlehem Steel Company. The certificates will be dated January 15 and sold on the basis of competitive bidding.

**CHESAPEAKE & OHIO.—Trusteeship for Distributed Nickel Plate Stock.**—Nickel Plate stock received by the Alleghany Corporation, as a stockholder of the Chesapeake & Ohio, when the latter's N. K. P. holdings were distributed recently as a dividend, will be deposited with the Chase National Bank of New York as independent voting trustee under the trusteeship created pursuant to the Interstate Commerce Commission's June, 1945, decision approving Alleghany's control of C. & O. and N. K. P. Division 4 of the commission has approved a supplemental agreement, whereby C. & O. and Alleghany propose to modify the trust indenture for that purpose.

The June, 1945, decision exempted from the trusteeship requirement all C. & O. and Alleghany holdings in carriers then "affiliated with" the C. & O. of which N. K. P. was found to be one. However, when the C. & O. brought before the commission its plan to discontinue its affiliation with N. K. P. and distribute the latter's stock as a dividend to its own stockholders, the commission stipulated that the 12,905.85 shares thus distributed to Alleghany would have to be deposited under the trusteeship unless Alleghany sold or otherwise disposed of them within 30 days. That stipulation was made in a previous report by Division 4, which at the same time dismissed for lack of jurisdiction a C. & O. application for approval of its plan to distribute the N. K. P. stock (see *Railway Age* of September 13, 1947, page 96).

**CHICAGO, ROCK ISLAND & PACIFIC.—Trackage Rights.**—Movement of this road's freight trains between Birmingham, Mo., and its Armourdale freight yards in Kansas City, Mo., will be fa-

cilitated as a result of approval by Division 4 of the Interstate Commerce Commission of the acquisition by the Rock Island of trackage rights over certain Kansas City tracks of the Kansas City Southern, Chicago, Milwaukee, St. Paul & Pacific, Missouri Pacific, Wabash and Union Pacific. The commission's supplemental order in the Finance Docket No. 13085 proceeding includes the usual employee-protection conditions.

Rock Island passenger trains already move into Kansas City over the route involved, and under the present agreements it will also move its freight trains across the Missouri river over a bridge owned by the Milwaukee, thereby relieving congestion in the territory adjacent to the Chicago, Burlington & Quincy's Hannibal bridge, which heretofore has been used by R. I. freight trains to and from the east, except those to and from St. Louis. The commission said that the trackage rights agreements will be of importance to the Rock Island from the standpoint of both operating economy and efficiency and will be advantageous to all carriers serving Kansas City in that traffic density near the Burlington's bridge will be reduced. The new route to be used by the Rock Island is approximately the same mileage (between 11 and 12 miles) as the old one.

The trackage rights are set out in five separate contracts which the Rock Island has entered into with the various carriers involved. With the exception of a supplemental agreement with the U. P., which expires in 1986, and the agreement with the M. P. which terminates in 2044, the initial terms of the agreements are for 99-year periods.

**DELAWARE, LACKAWANNA & WESTERN.**—*Equipment Trust Certificates.*—This road has applied to the Interstate Commerce Commission for authority to assume liability for \$1,600,000 of Series G equipment trust certificates, the proceeds of which will be applied toward the purchase of 500 50-ton steel-sheathed box cars, at an estimated unit cost of \$4,307, from the American Car & Foundry Co. The certificates, to be dated January 15, will be sold on the basis of competitive bidding.

**FLORIDA EAST COAST.**—*Reorganization.*—Division 4 of the Interstate Commerce Commission has modified its order of May 28, 1942, in the Finance Docket No. 13170 proceeding so as to increase from \$12,000 to \$16,000 yearly, effective January 1, the maximum compensation to be paid R. L. Frink as counsel for S. M. Loftin and J. W. Martin, trustees of this road.

**GULF, MOBILE & OHIO.**—*Initial Dividend.*—This road has declared an initial dividend of 50 cents a share on the common stock, payable on January 15 to stockholders of record on December 26.

**ILLINOIS CENTRAL.**—*Equipment Trust Certificates.*—This road has applied to the Interstate Commerce Commission for authority to assume liability for an additional \$3,200,000 of Series X equipment trust certificates, the proceeds of which will be applied toward the acquisition of 1,000 50-ton hopper cars and certain passenger equipment, as set out in *Railway Age* of July 26, 1947, page 102. Authority to assume liability for \$1,200,000 of the overall \$4,400,000 Series X issue previously was approved by the commission, as reported in *Railway Age* of August 23, 1947, page 64.

**KINGSFORD.**—*Acquisition.*—This recently organized road, the entire stock of which is owned by the Tennessee Eastman Corporation of Kingsport, Tenn., has applied to the Interstate Commerce Commission for authority to lease and continue the operation of a government-owned 7-mile line between Kingsport and Holston. The line, constructed by the federal government during the war to serve defense plants, connects with the Clinchfield at Kingsport and with the Southern at Holston. According to the applicant, Tennessee Eastman holds first option on the lease of the line, which, it said, the government no longer desires to operate. It added that the government also has obtained a proposal from the Clinchfield to lease and operate the line.

**MINNEAPOLIS, ST. PAUL & SAULT STE. MARIE.**—*End of Voting Trust.*—The voting trust under which all of the stock of this road has been held since the company emerged from reorganization on September 1, 1944, has been terminated as of the end of 1947. H. C. Grout, Soo Line president, has announced. Control of the company has been held by five voting trustees consisting of Mr. Grout, Homer B. Vanderblue, dean of the School of Commerce at Northwestern University at Evanston, Ill.; Henry S. Kingman, president of Farmers & Mechanics Savings Bank at Minneapolis, Minn.; George W. Webster of Minneapolis, former Soo Line president and reorganization trustee, and Henry S. Mitchell, Minneapolis attorney.

Although the voting trust would not have expired by its terms until December 31, 1950, the trustees were empowered, by unanimous action, to terminate it prior to that time, and such action was taken at a meeting of the trustees held recently in Minneapolis. Effect of the trustees' action will be to give to the stockholders the voting rights in the company instead of the voting trustees.

**NEW YORK CENTRAL.**—*Equipment Trust Certificates.*—Division 4 of the Interstate Commerce Commission has authorized this road to assume liability for \$12,800,000 of 2½ per cent equipment trust certificates, the proceeds of which will be applied toward the purchase of 2,000 box cars and certain Diesel-electric locomotives, as outlined in *Railway Age* of December 20, 1947, page 72. The

certificates will be dated January 15 and will mature in 10 annual installments of \$1,280,000, starting January 15, 1949. The report also approves a selling price of 99.301, the bid of Halsey, Stuart & Co., and associates, which had been accepted subject to commission approval, and on which basis the average annual cost to the applicant will be approximately 2.77 per cent.

**NEW YORK, NEW HAVEN & HARTFORD.**—*Reorganization of Boston & Providence.*—Division 4 of the Interstate Commerce Commission has fixed maximum limits of final allowances for services and expenses of parties in interest and their counsel during the period, generally, from January 1, 1941, through June 30, 1947, in connection with the reorganization proceedings of the Boston & Providence under section 77 of the Bankruptcy Act. The commission allowed \$109,447 on claims amounting to \$115,847, the largest allowances being awarded C. W. Mulcahy, trustee, \$39,134, on a claim of the same amount and personal representatives of B. W. Warren, deceased trustee, \$37,000, on a similar claim. Maximum allowances also were fixed for three of the trustee's counsel as follows: P. E. Troy, \$7,691, on a claim of \$10,191; John Noble, Jr., \$13,158, on a claim of \$15,658; and D. C. Starr, \$4,906, on a claim for that amount. The latter also received \$6,897, on a claim of \$8,297, as attorney for the debtor.

**NEW LONDON NORTHERN.**—*Extra Dividend.*—This company paid on December 26, 1947, an extra dividend of 25 cents a share on the common stock.

**PENNSYLVANIA.**—*Control of Montour and Youngstown & Southern.*—Division 4 of the Interstate Commerce Commission has approved plans whereby this road will sell its half interest in the Montour to its subsidiary, the Pennsylvania Company, and thus replenish its working capital with cash in an amount substantially equal to that used to finance its participation in the acquisition of the Pullman Company by the so-called railroad buying group. That outlay amounted to \$6,502,872, and the P. R. R. will now sell its Montour holdings to the Pennsylvania Company for \$4,500,000, the amount it paid for them and half of the Youngstown & Southern's stock which was subsequently transferred to the Montour. It will also sell to its subsidiary, for \$1,885,000, its holdings of Montour Land Company stock. The Montour and Y. & S. stocks were acquired by the P. R. R. in 1946 when the other halves of them were purchased by the Pittsburgh & Lake Erie; and a previous Division 4 report of December 27, 1946, approved the joint control by those roads of the Montour and, through it, of the Y. & S. It also approved the joint control the New York Central acquired as owner of the P. & L. E. The present report approves the Pennsylvania Company's acquisition of control, through joint ownership of



stock, and the joint control which the P. R. R. will retain as owner of the Pennsylvania Company. The usual employee-protection conditions were imposed by the division in both reports.

**TENNESSEE CENTRAL. — Equipment Trust Certificates.**—This road has applied to the Interstate Commerce Commission for authority to assume liability for \$314,000 of Series E 3 per cent equipment trust certificates, the proceeds of which would be applied toward the purchase of 100 50-ton all-steel hopper cars, at an estimated unit cost of \$3,490, from the American Car & Foundry Co. The certificates would be dated April 1, and mature in 20 semi-annual installments, starting October 1, 1948. The applicant also seeks commission approval to sell the certificates at par to the Reconstruction Finance Corporation.

**TOLEDO, PEORIA & WESTERN. — Defendant in Suit.**—Eight business firms situated along the T. P. & W. line in Illinois have filed a \$300,000 suit against the road in federal district court at Peoria, Ill., seeking damages which they claim were suffered because the road did not furnish them adequate transportation during the T. P. & W. strike beginning on October 1, 1945. The companies also charge that their business operations have been hampered due to the road's failure to provide adequate box car service.

**WHEELING & LAKE ERIE.—Redemption of Preferred Stock.**—As a means of facilitating its complete unification with the New York, Chicago & St. Louis, through merger or consolidation, this road has applied to the Interstate Commerce Commission for authority to redeem and retire its 102,139.58 shares of 5½ per cent cumulative convertible preferred stock. It would finance the transaction by using \$3,568,158 of its treasury funds and issuing two unsecured 2½ per cent notes in the total amount of \$6,645,800 as evidence of loans. One note, in the amount of \$5,000,000, would be payable to the Chase National Bank of New York, and the other, in the amount of \$1,645,800, to the Nickel Plate, which would receive a like sum for its 16,458 shares of the stock being redeemed.

Upon consummation of the transaction, W. & L. E. stock outstanding in the hands of the public, other than the Nickel Plate's holdings, would consist of 670 shares of 4 per cent prior lien stock and 91,578 shares of common. The Nickel Plate's holdings would amount to 115,423 shares of 4 per cent prior lien stock and 246,145 shares of common. Its ownership of the W. & L. E.'s stock will be increased from about 68 per cent to over 79 per cent.

I. C. C. decisions approving the Nickel Plate's acquisitions of its Wheeling holdings have included a condition stipulating that no shares of Wheeling

stock shall be redeemed, retired or reacquired by that road, except through donation, unless upon commission approval (see *Railway Age* of July 5, 1947, page 65).

## Average Prices Stocks and Bonds

	Jan. 6	Last week	Last year
Average price of 20 representative railway stocks	47.72	49.45	50.69
Average price of 20 representative railway bonds	85.14	85.91	91.34

## Dividends Declared

Carolina, Clinchfield & Ohio.—\$1.25, quarterly, payable January 20 to holders of record January 9.

Clearfield & Mahoning.—\$1.50, semi-annually, payable January 2 to holders of record December 20, 1947.

Gulf, Mobile & Ohio.—common (init.), 50¢; \$5.00 preferred, \$2.50, both payable January 15 to holders of record December 26.

New London Northern.—\$1.75, quarterly; extra, 25¢, both payable December 26 to holders of record December 15.

Norfolk & Western.—Adjustment preferred (\$25 par), 25¢, quarterly, payable February 10 to holders of record January 14.

Paterson & Hudson River.—\$1.37½, semi-annually, payable January 15 to holders of record December 31.

Pittsburgh, Cincinnati, Chicago & St. Louis.—\$2.50, semi-annually, payable January 20 to holders of record January 10.

Richmond, Fredericksburg & Potomac.—common, \$3.00, semi-annually; extra, \$4.00; dividend obligation, \$3.00, semi-annually; extra, \$4.00; 6% guaranteed preferred (extra), \$4.00; 7% guaranteed preferred (extra), \$3.00; non-voting common (extra), \$4.00, all payable December 29, 1947, to holders of record December 22.

Stony Brook.—\$2.50, semi-annually, payable January 5 to holders of record December 27.

Wabash.—\$1.00, payable December 26 to holders of record December 12.

Wheeling & Lake Erie.—5½% convertible preferred, \$1.37½, quarterly; 4% prior lien, \$1.00, quarterly, both payable February 2 to holders of record January 21.

## ABANDONMENTS

**CHICAGO, BURLINGTON & QUINCY.**—Acting upon a petition filed by the Brotherhood of Railroad Trainmen and upon "further consideration of the record," Division 4 of the Interstate Commerce Commission has ordered the Finance Docket No. 14146 proceeding reopened for further hearing on the question as to whether terms and conditions should be imposed for the protection of employees who may have been adversely affected by this road's abandonment in 1943 of a segment extending from Tecumseh Junction, Neb., to Rockford, approximately 24 miles, and abandonment of operation under a trackage rights agreement over that portion of the Chicago, Rock Island & Pacific between Rockford and Beatrice, approximately 8.5 miles. Also involved is a 264-ft. connecting track at Beatrice. The time and place of the hearing will be assigned at a later date.

**CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC.**—Division 4 of the Interstate Commerce Commission has conditionally

authorized this road to abandon that portion of its so-called Reno-Isinours branch extending from Reno, Minn., to a point near Caledonia, 13.6 miles. As noted in *Railway Age* of September 13, page 92, a June 16, 1946 cloudburst and subsequent flood completely removed from the subgrade approximately 3 miles of the line and damaged in addition thereto 9,090 ft. of track to the extent that it will require realignment. Of 34 bridges between Reno and Caledonia, 21 were damaged in varying degrees. The applicant estimated that it would cost a minimum of \$127,931 to restore the line. In addition to prescribing the usual employee-protection conditions, the commission's order also requires the road to maintain the present basis of rates and fares to and from points on that portion of the branch to be retained in order that "profitable adverse effects" on the public may be minimized. The latter stipulation was requested by the State of Minnesota.

**DENVER & RIO GRANDE WESTERN.**—Abandonment by this road of a 23-2-mile portion of its so-called San Pete Valley branch from a point near Moroni, Utah, to the end of the branch at Nephi, where it connects with the Union Pacific, has been conditionally authorized by Division 4 of the Interstate Commerce Commission. The commission, which adopted the recommendations set out in a report proposed by Examiner J. S. Prichard, as outlined in *Railway Age* of October 11, page 86, approved the abandonment subject to the condition that the U. P. will be permitted to rehabilitate and operate a 2-mile portion of the branch between Gypsum and Nephi in order to serve a plaster mill at Gypsum. Under an agreement between the two roads, the applicant has proposed to "donate" the Gypsum-Nephi segment to the U. P. and pay that carrier \$8,000 to rehabilitate the track "in order to be relieved of operating the branch."

The commission also found that although industries at Fountain Green, another point on the branch, would be inconvenienced through the elimination of their present rail transportation facilities, the trucking of coal, among other products, to that community "would not seem to be a particular hardship" in view of the fact that it was served by truck prior to World War II.

**MINNEAPOLIS & ST. LOUIS.**—Examiner P. C. Albus has recommended in a proposed report that Division 4 of the Interstate Commerce Commission authorize this road to abandon, subject to the usual employee-protection conditions, that portion of its so-called Corwith branch extending from Corwith, Iowa, to St. Benedict, approximately 7.2 miles. The applicant is replacing its steam power with Diesel-electric locomotives, and advised the commission that the cost of rehabilitating the Corwith-St. Benedict, segment, which is not now adaptable to their passage, would total approximately \$83,500. Examiner

Albus observed, however, that, irrespective of the applicant's desire to Dieselize its entire system, operation of the line sought to be abandoned is being conducted at a loss.

**PENNSYLVANIA.**—This road's subsidiary, the Pennsylvania & Atlantic, has applied to the Interstate Commerce Commission for authority to abandon that portion of its line between Toms River, N. J., and Bay Head, approximately 18 miles. Through rail service between those points was suspended last December when a fire destroyed a bridge connecting Seaside Park with Barnegat Pier. According to the applicant, neither past nor anticipated traffic justifies restoration of the bridge.

## CONSTRUCTION

**NORFOLK & WESTERN.**—This road has authorized the following projects, the probable costs of which are shown in parentheses: Construction of a 3-level brick passenger station, together with the necessary tracks and sheds, at Waynesboro, Va. (\$550,000); construction of new engine terminal facilities and the necessary appurtenances and tracks at Winston-Salem, N. C. (\$357,000) and at Pulaski, Va. (\$195,000); installation of a new vapor drying apparatus at the timber preserving plant, Radford, Va. (\$150,000); construction of team track facilities at the Berrys yard, Cincinnati, Ohio (\$21,000); construction of 7,925-ft. of coal operation tracks on the Dismal Creek branch, Buchanan County, Va. (\$79,000); complete modernization of the passenger station at Christiansburg, Va. (\$40,000); and construction of a club house at Winston-Salem (\$35,000). Also, the road has authorized the purchase of three Diesel locomotive cranes and one Diesel-electric locomotive crane for the Radford timber preserving plant at a probable cost of \$185,000.

**NORFOLK & WESTERN.**—This road has announced the following projects, the cost of which will exceed \$500,000: installation of interlocking switches from Lovett avenue to bridge 5 (about one-half a mile) and new gates at the Lake avenue crossing in Norfolk, Va.; extension of centralized traffic control on the Petersburg (Va.), Belt Line; installation of power switches and other improvements at Alnwick, 12 miles west of Iaeger, W. Va.; installation of power operating equipment at White siding, to be controlled from Devon, W. Va.; installation of centralized traffic control from Naugatuck, W. Va., to Millstone yard (13 miles) and other signal and track improvements in the vicinity; strengthening of bridges on the Wayne and Hillsboro branches (Kenova, W. Va., and Sardinia, Ohio, respectively), to permit the use of heavier locomo-

tives; and the construction at Portsmouth, Ohio, of a building 25-ft. by 127-ft., to house yard office and wash and locker facilities. This new fireproof building will replace several frame structures.

## RAILWAY OFFICERS

### EXECUTIVE

**William J. Egan**, whose election as president of the Hudson & Manhattan at New York, effective January 1, was reported in *Railway Age* of December 13, 1947, was born in Lambertville, N. J., on June 9, 1888. He was graduated from Riders College, Trenton, N. J., and the New Jersey Law School. Entering the service of the New Jersey Central, he later became chief cashier and accountant of the Hudson division



William J. Egan

of the Pennsylvania. Mr. Egan was then employed by the Guaranty Trust Company of New York and later engaged in the real estate and insurance business in Newark before starting the practice of law, specializing in corporation law. He was city clerk of Newark N. J., from 1917 until 1930 and then director of public safety for three years. He was an assistant attorney general of New Jersey for 10 years and has been general counsel of the New Jersey State Federation of Labor for the last 14 years. Mr. Egan has been a member of the board of directors of the H. & M. for several months.

**Charles R. Hook, Jr.**, assistant to president—personnel of the Chesapeake & Ohio, has been elected vice-president—personnel, with headquarters as before at Cleveland, Ohio, succeeding **John B. Parrish**, who retired on December 31, 1947, under the company's retirement plan, after 46 years of service with that road. Mr. Hook, who was born in 1904, was assistant to the general manager of the Rustless Iron & Steel division of the American Rolling Mill Com-

pany at Baltimore, Md., before entering the service of the C. & O. on July 15, 1946, as assistant to president—personnel. In 1946 he was appointed a member of a seven-man advisory council to assist the War Department General Staff in personnel phases of the reorganization of that department. He also served as an industry member of the National War Labor Board, and as a management advisor for the Training Within Industry Division of the War Manpower Commission. In 1944, Mr. Hook co-authored, with Lee H. Hill, a book titled "Management at the Bar-



Charles R. Hook, Jr.

gaining Table." The same year he was appointed to the committee on labor negotiations of the National Association of Manufacturers and later became committee chairman. Mr. Hook is a member of the Planning Council Personnel division of the American Management Association, and a director of the American Arbitration Association. As a member of the U. S. Mission of Labor Experts named by the State Department, Mr. Hook spent several months in Bolivia in 1943, studying the strike situation in Bolivian tin mines.

Mr. Parrish, whose headquarters have been in Richmond, Va., first became associated with the C. & O. in 1901, beginning as a clerk in the agent's office at Newport News, Va. Subsequently, he served as clerk in the superintendent's office, clerk in the general manager's office on car allotment, assistant to the general superintendent, assistant superintendent of transportation, and general superintendent. He was appointed general manager in 1919 and became assistant vice-president in 1926. Mr. Parrish served as vice-president—personnel from 1933 until his recent retirement.

**H. H. Henderson**, assistant general manager of the Wheeling & Lake Erie, has been appointed assistant to the president, with headquarters as before at Cleveland, Ohio. He will perform such duties as may be assigned to him from time to time by the president. The position of assistant general manager has been abolished.



as we see

## *the Locomotive picture*

We feel that, just now, the whole motive-power situation is in a state of flux.

Steam locomotives will always be in demand. We are convinced of this—and will continue to build a complete line of steam locomotives maintaining Lima's world wide reputation for fineness of design and manufacture. We will continue to explore all possible ways of improving such locomotives. And at present we are constructing for the C. & O. 15 steam locomotives, among the largest ever to see regular service. This is the fifth order from them for locomotives of this type.

In the switching field, we believe that for most roads, and most jobs, the diesel-electric is the answer. We will build such locomotives, maintaining the traditional Lima-Hamilton fineness of design and manufacture! Our diesel-engine experience dates back to 1924—and many of you have operated or seen Hamilton diesels in railroad service. We are currently building a 660-hp and a 1000-hp diesel-electric switcher for our own account.

Above 1500 horsepower, there must be a better way. With this in mind, we have been working for over four years on the development of a free-piston gas generator turbine for locomotive use. We have such a turbine operating on test. This turbine has now been running for many months. The results look promising. We will keep you informed or better still come and see us.



President



LIMA, OHIO  
Lima Locomotive Works Division  
Lima Shovel and Crane Division

**LIMA-HAMILTON CORPORATION**

HAMILTON, OHIO  
Hooven, Owens, Rentschler Co.  
Niles Tool Works Co.

John W. Keller, whose promotion to assistant to vice-president—traffic of the Minneapolis & St. Louis, at Minneapolis, Minn., was reported in *Railway Age* of December 13, was born on Novem-



John W. Keller

ber 1, 1908, at Waseca, Minn., and entered the service of the M. & St. L. in 1928 as an employee in the office of the receiver. He became a clerk in the traffic department in 1931 and chief clerk in that department in 1939. In 1944 he was advanced to chief of the tariff bureau, which position he held until his recent appointment.

## FINANCIAL and ACCOUNTING

John R. Wall has been appointed assistant general attorney of the Baltimore & Ohio, with headquarters at Baltimore, Md. Mr. Wall was formerly associated with Cleary, Gottlieb, Friendly & Cox, law firm in Washington, D. C.

C. D. Sipe, assistant to comptroller of the Gulf, Mobile & Ohio, with headquarters at Mobile, Ala., has retired after a railroad career of 50 years.

H. H. Small, assistant secretary of the Chicago & North Western, at Chicago, has retired after 44 years of service with the road.

Ben C. Dey, general counsel of the Southern Pacific, at San Francisco, Cal., retired on December 31, after 42 years of service in the railroad's law department. He was succeeded by George L. Buland, associate general counsel at San Francisco.

H. W. Oppenheimer, assistant general solicitor of the Chesapeake & Ohio, has been appointed general attorney, with headquarters as before at Richmond, Va. Robert S. Garnett, assistant general solicitor, has been appointed general attorney, with headquarters as before at Cleveland, Ohio, and John S. Marshall, assistant general attorney, has been appointed general attorney at Cleveland.

William F. Gleeson, assistant general counsel of the Lehigh Valley, has been

appointed general counsel, with headquarters as before at New York. T. O. Broker and B. J. Viviano have been appointed assistant general counsel. E. S. Shreve, W. A. Renz and R. D. Lallanne, have been appointed general attorneys.

James A. Bistline, attorney on the staff of the general counsel of the Civil Aeronautics Board at Washington, D. C., has been appointed commerce counsel in the law department of the Southern at Washington.

## OPERATING

A. E. Upson has been appointed division trainmaster of the Missouri Pacific's Colorado division, with headquarters at Pueblo, Colo.

W. J. Price, assistant superintendent of the Canadian Pacific, with headquarters at Moose Jaw, Sask., has been promoted to superintendent at that point. The road has announced the following changes affecting division superintendents: F. J. Fryer, located at Regina, Sask., has been transferred to Winnipeg, Man., succeeding Charles Reid, who has gone to Revelstoke, B. C. Mr. Reid replaces A. R. Everts, who has been appointed superintendent at Sudbury, Ont. D. A. Smith, formerly located at Sudbury, has been transferred to Regina, and R. C. Wheeler, at Saskatoon, Sask., and W. L. Wilson, at Kenora, Ont., have exchanged positions.

W. B. Adams, assistant general superintendent of the Lehigh & New England, has been appointed superintendent, with headquarters as before at Pen Argyl, Pa. The position formerly held by Mr. Adams has been abolished.

W. S. Ripley, assistant to the general manager of the Norfolk & Western at Roanoke, Va., retired on January 1, after nearly 40 years of service with this road.

G. E. Durham, assistant to the president of the Wheeling & Lake Erie, has been appointed general manager, with headquarters at Cleveland, Ohio. Andrew J. Duncan has been appointed assistant to the general manager at Cleveland.

K. R. Ketcham, assistant superintendent of the Hinton division of the Chesapeake & Ohio, with headquarters at Hinton, W. Va., has been promoted to superintendent of that division, succeeding H. T. Brown, retired. William Fite, road foreman of engines at Russell, Ky., has been appointed trainmaster, to succeed A. M. Davidson, retired. O. D. Ellison, assistant terminal trainmaster at Russell, has been appointed terminal trainmaster, succeeding J. C. Dodgion, retired. J. F. Wade Louks, assistant trainmaster at Columbus, Ohio, has been appointed trainmaster to fill the vacancy left by the retirement of C. M. Ryder.

L. E. Cartmill, general superintendent car, engineering, construction and main-

tenance departments of the Pacific Fruit Express Company, at San Francisco, Cal., has retired after nearly 40 years of service with the company. G. P. Torburn has been appointed general superintendent of the firm's car department.

## TRAFFIC

E. F. Flinn, dairy agent of the Grand Trunk Western, has been promoted to general dairy agent, with headquarters as before at Chicago.

Robert C. Hilshiemer has been appointed freight service representative of the Chesapeake & Ohio, with headquarters at Chicago.

F. W. Ditman, assistant manager of the Chesapeake & Ohio's world commerce department, at Detroit, Mich., has been promoted to manager of that department.

C. Fred Keller, whose retirement as general traffic manager of the Lehigh & New England at Bethlehem, Pa., effective December 31, 1947, was reported in *Railway Age* of December 13, was born at Paterson, N. J. Mr. Keller entered railroad service in 1906 with the Erie in the division engineer's office, serving subsequently in the general passenger department, in the general manager's office and in the corporate secretary's office, as chief clerk in the maintenance of way department, and as assistant managing clerk in the traffic department. On July 1, 1918, he was furloughed to become associated with the New York-New Jersey Port & Harbor Development Commission and on March 1, 1920, he returned to the Erie as chief clerk to the vice-president in charge of traffic. Mr. Keller later became coal freight agent of the Erie and from July 1, 1931 to 1939, he was general agent and passenger agent of the Lehigh & New England. On January 1, 1939, he became general traffic manager of the L. & N. E., which position he held until his retirement.

Charles A. Barber, general passenger agent of the Lehigh Valley, has been appointed passenger traffic manager, with headquarters as before at New York, succeeding Norman W. Pringle, who has asked to be relieved of his duties as head of the company's passenger traffic department because of ill health. Mr. Pringle will continue with the road in an advisory capacity. J. F. James, Jr., Eastern freight traffic manager at New York, has retired at his own request after more than 37 years of service. John J. Connell and William A. Grove, assistant Eastern freight traffic managers, have been appointed assistant freight traffic managers, with headquarters remaining at New York.

Andrew L. Bay, assistant general freight agent of the Southern at Atlanta, Ga., has been promoted to assistant to freight traffic manager, with headquarters at Washington, D. C., succeeding C. C. Greenlee, who has resigned after more



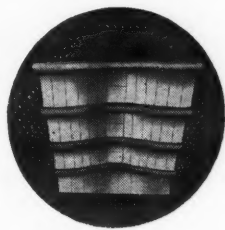


**IF A LOCOMOTIVE SEEMS LAZY**

When a locomotive requires undue forcing to do its regular job, it may be because it is not getting all the power it should from the coal consumed.

The maintenance, at all times, of a complete brick arch in the firebox is always an essential in securing proper engine performance. And the heavier the train and the higher the speed, the greater are the gains from keeping the arch complete.

**HARBISON-WALKER  
REFRACTORIES CO.**  
*Refractories Specialists*



**AMERICAN ARCH CO. INC.**  
60 East 42nd Street, New York 17, N. Y.  
*Locomotive Combustion Specialists*

than 27 years of service with the Southern to accept the position of general traffic manager of the Richardson Company, Cincinnati, Ohio. **H. L. Parkerson**, commercial agent at Macon, Ga., has been appointed district freight agent at Brunswick, Ga., succeeding **Vernon T. Ross**, who has been appointed division freight agent at Macon. Mr. Ross replaces **V. E. Cook**, who has retired after more than 37 years of service.

**P. J. Tierney**, assistant general freight traffic manager of the Chesapeake & Ohio at Richmond, Va., has retired after 42 years of service with that road. **R. J. Barron** has been appointed general agent at Baltimore, Md., succeeding **E. A. Stabler**, who has retired after 35 years of service with that road. **H. E. Dale** has been appointed New England agent at Boston, Mass., succeeding **E. P. Landon**, who has retired after nearly 41 years of service with that road. **J. W. Paul** has been appointed manager of mail, baggage and express traffic at Richmond.

**S. W. Bone**, whose promotion to passenger traffic manager of the New York Central, with headquarters at Chicago, was reported in *Railway Age* of December 6, 1947, was born on August 27, 1901, at Rutledge, Mo., and began his railroad career as an apprentice telegraph operator with the Atchison, Topeka & Santa Fe at Wayacunda, Mo., in 1917. He later served as ticket agent



S. W. Bone

for that road at Albuquerque, N. Mex., and in its passenger traffic department at Los Angeles, Cal. Mr. Bone joined the N. Y. C. in 1929 as traveling passenger agent at Los Angeles, holding this position until 1937, when he became general agent at San Francisco, Cal. In 1941 he was appointed division passenger agent at Chicago, and in 1945 was further advanced to assistant general passenger agent. On March 1, 1946, Mr. Bone was promoted to general passenger agent at Chicago, which position he held until his recent appointment.

**Frederick H. Reddy**, who has been attached to the staff of the vice-president

of the Railway Express Agency at New York since February, 1946, has been appointed general agent at Boston, Mass., to succeed **Leonard F. Whidden**, who retired recently after 47 years of continuous service.

**Michael A. Birnbach**, office assistant in the traffic department of the New York, New Haven & Hartford, has been appointed assistant to general traffic manager, with headquarters at Boston, Mass.

**H. B. Beaumont**, acting steamship passenger traffic manager of the Canadian Pacific, has been appointed steamship passenger traffic manager, with headquarters at Montreal, Que.

**R. K. McDonald**, division freight agent of the Missouri-Kansas-Texas at Kansas City, Mo., has been appointed to the newly-created position of assistant general freight and passenger agent, with headquarters at Fort Worth, Tex. He is succeeded by **W. J. Dooley**, commercial agent at Kansas City.

**Louis Weiler**, general traffic manager of the American Refrigerator Transit Company, at St. Louis, Mo., has retired after 57 years of service with the company.

**Lastro Warren**, traveling freight and passenger agent of the Missouri-Kansas-Texas at Fort Worth, Tex., has been promoted to general agent at El Paso, Tex., succeeding **R. B. Davis**, who has retired.

**Percy C. Holmes**, district passenger agent of the Great Northern, with headquarters at St. Paul, Minn., has been appointed assistant to passenger traffic manager at that point. The following have been appointed general agents, passenger department: **Frank P. Herbert**, at Tacoma, Wash.; **Harry Clark**, at Vancouver, B. C.; and **T. K. Orchard**, at Seattle, Wash.

The Toledo, Peoria & Western has announced the following appointments in its traffic department: **William G. McLaren**, general agent at Portland, Ore.; **George F. Hillman**, general agent at Seattle, Wash.; **Frank H. Sanders**, general agent at Indianapolis, Ind.; **Frank C. Aldrich, Jr.**, perishable freight agent at New York; and **Lawrence J. Houlihan**, traffic representative at Chicago.

**Walter E. Cooper**, assistant to general passenger agent of the Chicago, Milwaukee, St. Paul & Pacific, at Chicago, has been appointed assistant to passenger traffic manager at that point, succeeding **Walter Peterson**, who has retired. **Arthur W. Dreutz**, chief rate clerk, has been appointed assistant to general passenger agent. **C. C. Burns**, assistant general agent, passenger department, has been promoted to general agent, passenger department, with headquarters as before at New York, succeeding **G. L. Cobb**, whose retirement was reported in the *Railway Age* of December 13, 1947, page 1052. **E. C. Chapman**, city freight

and passenger agent at Vancouver, B. C., has been appointed general agent there, succeeding **Frank J. Calkins**, who has retired after a railroad career of 54 years.

**Thomas E. Nerland**, whose promotion to general passenger agent of the New York Central, with headquarters at Chicago, was reported in *Railway Age* of December 6, 1947, was born on January 2, 1893, at Chicago, and began his railroad career with the Michigan Central in 1907 as an office boy. He subsequently held various clerical positions with the M. C. until 1920, when he became city passenger agent at Chicago. In 1926 he was appointed general agent, passenger department, of the New York Central, with headquarters at Seattle,



Thomas E. Nerland

Wash., and in 1937 returned to Chicago as district passenger agent of the N. Y. C. Mr. Nerland was appointed general agent, passenger department, at Detroit, Mich., in 1940, and held that position until April 1, 1946, when he was promoted to assistant general passenger agent at Chicago. He was serving in the latter position at the time of his new appointment.

**Frank Jensen**, passenger traffic manager of the Texas & Pacific, with headquarters at Dallas, Tex., has retired after 42 years of service with the road and a railroad career of 56 years. Succeeding to Mr. Jensen's duties is **William W. Fair**, general passenger agent, who has been on leave from the road during the past 18 months while acting as vice-president and general manager of the Dallas Union Terminal.

**W. F. Burke**, office manager of the Chicago, Burlington & Quincy's passenger department, at Chicago, has been promoted to assistant general passenger agent there. **Robert S. Caird**, assistant general passenger agent, at Chicago, has been transferred to New York.

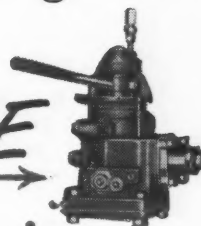
**L. G. Levitte**, traveling freight and passenger agent of the Great Northern, at Lewistown, Mont., has been promoted to general agent at Wenatchee, Wash., succeeding **F. J. Loughney**, who has been transferred to Cleveland, Ohio. Mr.





The Train may be  
still on the Drawing Board

*but the Brakes for it are HERE*



There are many new trains in the planning stage, and a lot of searching for new appeals and advantages that will add to safety and luxury, and win and hold passenger patronage.

One essential with years of planning behind it—the “HSC” *Electro-pneumatic Brake*—provides a solid base on which passenger appeal can be built. It is completely modern, provides the instant, positive response that safeguards passenger comfort and safety,

and has proved its superior qualities in years of service on the nation's most famous trains.

If you have any new passenger trains in mind, equip them with this modern combination:

HSC Air Brakes . . . for braking flexibility to match modern train speeds, and unequalled smooth action. Speed Governor Control . . . for regulating brake forces to wheel speeds. *AP Decelostat* . . . for wheel slip detection to keep the wheels rolling.



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Loughney replaces F. P. Engel, who has retired.

R. Gordon Miller has been appointed general agent of the Duluth, South Shore & Atlantic, with headquarters at Chicago, succeeding M. V. Olmsted, who has resigned.

Harry Sengstacken, assistant passenger traffic manager of the Chicago, Milwaukee, St. Paul & Pacific, with headquarters at Chicago, became passenger traffic manager at that point on January 1, succeeding Fred N. Hicks, whose retirement, effective on December 31, 1947, was reported in *Railway Age* of December 6, 1947.

Joseph V. Jones has been appointed division freight and passenger agent of the Atchison, Topeka & Santa Fe, at Phoenix, Ariz., succeeding G. W. Brown, whose retirement was reported in *Railway Age* of December 20, 1947.

### ENGINEERING and SIGNALING

M. J. Hubbard, division engineer of the Hocking division of the Chesapeake & Ohio at Columbus, Ohio, has been appointed general supervisor of bridges and buildings, succeeding H. M. Church, retired. F. C. Cunningham, assistant division engineer of the Russell division at Russell, Ky., has been appointed division engineer of the Chicago division at Peru, Ind., to succeed R. C. Watkins, who has been transferred to the Hocking division, to replace Mr. Hubbard.

L. F. Racine, formerly division engineer of the Union Pacific, with headquarters at Salt Lake City, Utah, has been appointed chief engineer of the Chicago, Indianapolis & Louisville, with headquarters at LaFayette, Ind. He succeeds J. C. Bussey, who has retired.

### MECHANICAL

A. W. Walter, supervisor of car service of the Canadian National at Campbellton, N. B., has been appointed general car service inspector at Montreal, Que.

E. L. Grote has been appointed division master mechanic of the Chicago, Milwaukee, St. Paul & Pacific, with headquarters at Mason City, Iowa, succeeding John Turney, who has retired.

W. Q. Daugherty, assistant superintendent of motive power and car equipment of the Gulf, Mobile & Ohio, with headquarters at Jackson, Tenn., has retired after 53 years of railroad service. Mr. Daugherty's former position has been abolished, leaving G. M. Duck, master mechanic, as the ranking mechanical officer at Jackson.

Mr. Daugherty was born at Verona, Miss., and began his railroad career in the shops of the Louisville & Nashville at Decatur, Ala., in 1892. He became locomotive fireman in 1895, and remained

with the L. & N. in that position until 1898, when he joined the Mobile & Ohio (now G., M. & O.). He subsequently held positions as locomotive fireman, round house foreman, traveling foreman and general foreman. Mr. Daugherty was advanced to master mechanic at Jackson in 1911, remaining in that capacity until 1942, when he was promoted to assistant superintendent of motive power and car equipment.

H. H. Boyd, assistant chief of motive power and rolling stock of the Canadian Pacific at Montreal, Que., retired on pension on December 31, after 47 years of service. W. F. A. Bengier, chief mechanical engineer at Montreal, and L. B. George, assistant superintendent of motive power and car department in the West at Winnipeg, Man., have been appointed assistant chiefs of motive power and rolling stock. T. F. Donald, assistant works manager (locomotive), at Montreal, succeeds Mr. George as assistant superintendent of motive power at Winnipeg. W. D. Dickie, supervisor of machinery (munitions), replaces Mr. Donald at the Angus shops at Montreal.

Mr. Boyd was graduated from McGill University and started his railroad career as a timekeeper on the Canadian Pacific at North Bay, Ont., later serving as district master mechanic at Cranbrook, B. C., and superintendent at Saskatoon, Sask., and Moose Jaw; and at Vancouver, B. C. Mr. Boyd served as assistant chief of motive power and rolling stock at Windsor station, Montreal, from 1928 until his retirement.

G. S. Claiber has been appointed general supervisor of electrical equipment of the New York Central and J. L. McMullen has been appointed assistant general supervisor electrical equipment, both with headquarters at New York.

Archie G. Waldrup, master mechanic of the Southern at Bristol, Va.-Tenn., has been transferred to Macon, Ga., to succeed Thomas E. Gary, who has retired after more than 40 years of service. Floyd E. Kimball, assistant master mechanic at Atlanta, Ga., has been promoted to master mechanic at Bristol, to succeed Mr. Waldrup.

### PURCHASES and STORES

Earl L. McCall, has been appointed purchasing agent of the Pacific Electric at Los Angeles, Cal., succeeding Clifford Thorburn, whose death was reported in the *Railway Age* of December 6.

### SPECIAL

A. H. Adams has been appointed chief train rules examiner of the Chicago, Milwaukee, St. Paul & Pacific, with headquarters at Chicago, succeeding D. E. Rossiter, who has retired.

E. J. Perrault has been appointed district safety agent, Manitoba district, of

the Canadian Pacific, with headquarters at Winnipeg, Man.

W. A. Dietze, chief clerk to the president of the Chicago, Milwaukee, St. Paul & Pacific, at Chicago, has been promoted to public relations officer, succeeding F. H. Johnson, who has retired after 55 years of railroad service.

Elizabeth O. Cullen and Edmund A. Freeman have been appointed librarian and assistant librarian, respectively, of the Bureau of Railway Economics of the Association of American Railroads. Miss Cullen succeeds Richard H. Johnston, who retired on March 1, 1947, after holding that position for 37 years.

Miss Cullen has been with the bureau library since 1917, and has served as reference librarian since 1928. She was graduated from Central High School in Washington, D. C., and received her Bachelor of Arts and Master of Science degrees at George Washington University. She served as president of the District of Columbia Library Association and as treasurer of the Special Libraries Association in 1931 and 1932.

Mr. Freeman, who is the author of several railroad bibliographies, has been identified with the bureau library as a cataloguer since 1923, prior to which he taught school for nine years. He received his Bachelor of Arts degree from Dartmouth College, and later attended the New York State Library School.

The bureau library, the A. A. R. announcement of the appointments said, "is the largest transportation reference library in the world, containing more than 300,000 books, pamphlets, excerpts, reports and memoranda."

Eldon D. Jones, formerly boiler foreman of the St. Louis-San Francisco at Monett, Mo., has been appointed safety supervisor of the road, with headquarters at Memphis, Tenn.

### OBITUARY

Otto Joslin, senior assistant engineer of the Nashville, Chattanooga & St. Louis, with headquarters at Nashville, Tenn., died at his home in that city on November 24, 1947, after a long illness.

LeRoy T. Wilcox, who retired in 1944 as assistant vice-president—traffic of the Union Pacific, died on December 23, 1947, at Henderson, Nev. He was 71 years old.

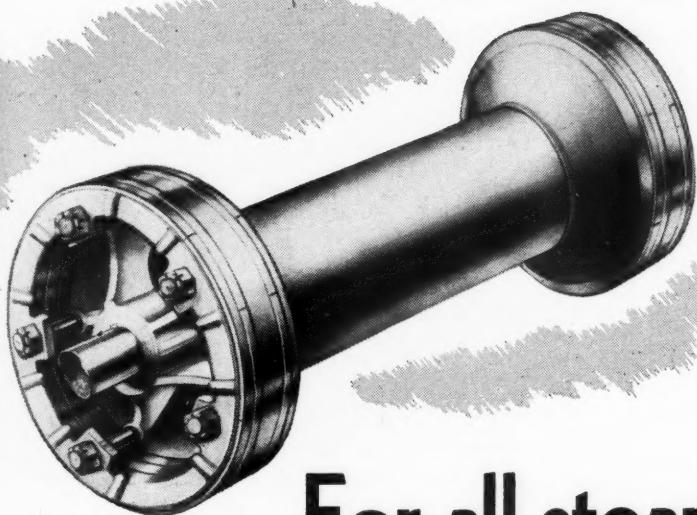
Curtis Dilley, assistant to the superintendent of safety of the Louisville & Nashville, at Louisville, Ky., died on November 15.

Christopher H. Lahan, district freight traffic manager of the Gulf, Mobile & Ohio, at Denver, Colo., died on October 30, when struck by a truck at Rocky Ford, Colo.

Carl J. Burlage, chief claim agent of the Pennsylvania, with headquarters at Chicago, died on January 5, at his home in Des Plaines, Ill.



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**For all steam locomotives—  
*In any service***

Not all installations of Hunt-Spiller Light Weight Steel Valves are found on first class freight and passenger locomotives; they are no less important for all motive power, even switchers. And after all, why not? In these days of close cost watching it does not pay to give "step-child treatment" to any equipment. Every locomotive the railroad owns should operate economically, efficiently, and with minimum maintenance if it is to make money. So remember; locomotives, whether on the mainline or in the yard deliver power economically and with lower maintenance if they have light weight reciprocating parts. Change to Hunt-Spiller Light Weight Steel Valves and watch operating costs go down. Hunt-Spiller Mfg. Corporation, 383 Dorchester Avenue, Boston 27, Mass. In Canada: Jos. Robb & Co., Ltd., 4050 Namur St., Montreal 16, P.Q. Export Agents: International Ry. Supply Co., 30 Church St., New York 7, N. Y.

**HUNT-SPILLER** **LIGHT WEIGHT  
STEEL PISTONS AND VALVES  
DUPLEX SECTIONAL PACKING  
AIR FURNACE GUN IRON**

# OPERATING REVENUES AND OPERATING EXPENSES OF CLASS I STEAM RAILWAYS

FOR THE MONTH OF OCTOBER 1947 AND 1946

Compiled from 127 monthly reports of revenues and expenses representing 131 Class I steam railways

(Switching and Terminal Companies Not Included)

Item	United States		Eastern District		Southern District		Western District	
	1947	1946	1947	1946	1947	1946	1947	1946
Miles of road operated at close of month	227,049	227,457	53,725	53,832	46,163	46,271	127,161	127,354
Revenues:								
Freight	\$664,648,460	\$567,045,471	\$246,574,817	\$217,954,237	\$132,621,339	\$114,581,549	\$285,452,304	\$234,509,685
Passenger	75,009,337	89,347,278	38,653,892	42,559,234	11,027,999	14,335,158	25,327,446	32,452,886
Mail	12,369,631	11,190,349	4,582,929	3,988,473	2,163,078	2,059,287	5,623,624	5,142,589
Express	7,342,241	10,439,336	1,785,939	2,316,571	1,199,792	1,702,397	4,356,510	6,420,368
All other operating revenues	34,795,562	31,997,665	15,364,502	14,516,740	5,991,137	4,503,701	13,439,923	12,977,224
Railway operating revenues	794,165,231	710,020,099	306,962,079	281,335,255	153,003,345	137,182,092	334,199,807	291,502,752
Expenses:								
Maintenance of way and structures	113,693,290	99,168,633	42,486,482	38,014,922	24,460,132	21,539,017	46,746,676	39,614,694
Depreciation	10,241,856	10,024,322	4,397,979	4,294,315	1,740,937	1,681,052	4,102,940	4,048,955
Retirements	1,789,797	1,343,631	372,301	381,578	271,746	329,618	1,145,750	632,435
Deferred maintenance	*1,025,457	*529,818	*26,891	*232,647	*298,312	*11,905	*700,254	*285,266
Amortization of defense projects	133,805	76,757	*9,352	8,546	68,137	17,725	75,020	50,486
Equalization	*674,343	*4,416,188	*271,402	*2,424,856	*678,009	*1,042,395	275,068	*948,937
All other	103,227,632	92,669,929	38,023,847	35,987,986	23,355,633	20,564,922	41,848,152	36,117,021
Maintenance of equipment	139,425,256	128,875,854	59,989,915	55,422,177	27,516,865	25,055,084	51,918,476	48,396,593
Depreciation	19,098,940	18,399,411	7,649,295	7,373,169	4,347,727	4,032,074	7,101,918	6,994,168
Retirements	*99,138	*43,981	*9,377	*11,012	*8,025	*17,908	*81,736	*15,061
Deferred maintenance and major repairs	*212,671	*347,993	118,000	*590	*78,470	*84,057	*252,201	*263,346
Amortization of defense projects	1,221,591	1,006,683	452,263	466,491	239,125	193,360	530,203	346,832
Equalization	210,529	*84,972	47,058	17,086	135,019	*94,463	28,452	*7,595
All other	119,206,005	109,946,706	51,732,676	47,577,033	22,881,489	21,026,078	44,591,840	41,343,595
Traffic	15,606,291	13,754,868	5,543,054	4,924,750	3,321,176	2,758,314	6,742,061	6,071,804
Transportation—Rail line	310,369,140	286,376,539	132,251,846	122,028,804	56,861,768	51,604,218	121,255,526	112,743,517
Miscellaneous operations	10,963,495	11,147,811	4,117,170	4,044,458	1,571,089	1,411,489	5,275,236	5,691,864
General	21,814,127	19,160,202	8,395,659	7,335,642	4,753,665	4,104,422	8,664,803	7,720,138
Railway operating expenses	611,871,599	558,483,907	252,784,126	231,770,753	118,484,695	106,472,544	240,602,778	220,240,610
Net revenue from railway operations	182,293,632	151,536,192	54,177,953	49,564,502	34,518,650	30,709,548	93,597,029	71,262,142
Railway tax accruals	89,490,106	53,156,191	28,062,379	18,263,440	18,853,575	13,928,681	42,574,152	20,964,070
Pay-roll taxes	31,851,893	22,068,887	13,245,712	9,261,645	6,217,372	4,230,287	12,388,809	8,576,955
Federal income taxes	32,706,845	8,232,598	5,644,118	474,072	7,476,311	9,009,077	19,586,416	2,849,449
All other taxes	24,931,368	22,854,706	9,172,549	8,527,723	5,159,892	4,789,317	10,598,927	9,537,666
Railway operating income	92,803,526	98,380,001	26,115,574	31,301,062	15,665,075	16,780,867	51,022,877	50,298,072
Equipment rents—Dr. balance	12,797,239	9,922,977	5,176,711	4,233,086	*956,174	*1,232,531	8,576,702	6,922,423
Joint facility rent—Dr. balance	3,572,821	3,201,970	1,681,615	1,593,369	549,469	491,526	1,341,737	1,117,073
Net railway operating income	76,433,466	85,255,053	19,257,248	25,474,607	16,071,780	17,521,872	41,104,438	42,258,574
Ratio of expenses to revenues (per cent)	77.0	78.7	82.4	82.4	77.4	77.6	72.0	75.6

FOR THE TEN MONTHS ENDED WITH OCTOBER 1947 AND 1946

Item	United States		Eastern District		Southern District		Western District	
	1947	1946	1947	1946	1947	1946	1947	1946
Miles of road operated at close of month	227,181	227,739	53,729	53,805	46,186	46,272	127,266	127,662
Revenues:								
Freight	\$5,787,916,700	\$4,770,440,419	\$2,193,267,515	\$1,795,396,062	\$1,202,327,066	\$1,002,234,278	\$2,392,322,119	\$1,972,810,079
Passenger	800,200,062	1,080,961,393	401,621,747	490,236,461	129,196,239	183,100,570	269,382,076	407,624,362
Mail	112,249,569	104,129,160	40,876,829	36,579,160	20,354,429	19,091,410	51,018,311	48,458,590
Express	91,905,883	75,316,307	26,780,933	3,633,258	16,317,991	12,167,913	48,806,959	56,815,136
All other operating revenues	329,669,839	301,654,237	145,170,392	137,189,704	55,834,366	43,445,754	128,665,081	121,018,779
Railway operating revenues	7,121,942,053	6,332,501,516	2,807,717,416	2,465,734,645	1,424,030,091	1,260,039,925	2,890,194,546	2,606,726,946
Expenses:								
Maintenance of way and structures	1,007,098,249	965,149,060	369,159,451	349,016,822	218,956,632	207,282,674	418,982,166	408,849,564
Depreciation	101,484,040	100,251,407	43,378,051	42,961,685	17,382,215	16,986,573	40,723,774	40,303,149
Retirements	10,973,954	8,512,413	2,380,993	2,223,457	2,214,892	1,251,670	6,378,069	5,037,286
Deferred maintenance	*5,217,182	*4,863,344	*238,383	*1,226,277	*508,028	48,344	*4,470,771	*3,685,411
Amortization of defense projects	1,100,719	331,499	73,533	62,208	349,115	121,613	678,071	147,678
Equalization	*1,668,881	5,060,988	*2,152,508	1,670,312	193,118	1,917,257	290,509	1,473,419
All other	900,425,599	855,856,097	325,717,765	303,325,437	199,325,320	186,957,217	375,382,514	365,573,443
Maintenance of equipment	1,284,749,062	1,221,254,217	550,063,018	513,315,124	259,221,433	236,421,293	475,464,611	471,517,800
Depreciation	191,701,102	184,122,337	76,949,648	75,321,772	42,349,893	39,559,965	72,401,561	69,240,600
Retirements	*482,060	*342,105	*69,081	*105,699	*107,044	*110,290	*305,935	*126,116
Deferred maintenance and major repairs	*3,646,470	*3,003,766	247,180	*191,723	*1,391,004	*410,233	*2,502,646	*2,401,810
Amortization of defense projects	12,411,914	7,737,317	4,613,890	3,317,127	2,479,869	1,275,801	5,318,155	3,144,389
Equalization	1,001,874	572,174	50,893	*18,347	696,618	574,216	254,363	16,305
All other	1,083,762,702	1,032,168,260	468,270,488	434,991,994	215,193,101	195,531,834	400,299,113	401,644,432
Traffic	145,006,602	136,843,574	50,178,997	49,020,396	31,042,514	27,508,723	63,785,091	60,314,455
Transportation—Rail line	2,826,046,822	2,648,884,829	1,222,850,333	1,135,773,554	524,167,019	487,269,878	1,079,029,470	1,025,841,397
Miscellaneous operations	106,632,734	107,300,457	39,689,026	40,327,763	15,588,517	15,137,344	51,355,191	51,835,350
General	201,064,286	192,785,469	77,603,830	74,597,305	43,739,379	41,074,393	79,721,077	77,113,771
Railway operating expenses	5,570,597,755	5,272,217,606	2,309,544,655	2,162,050,964	1,092,715,494	1,014,694,305	2,168,337,606	2,095,472,337
Net revenue from railway operations	1,551,344,298	1,060,283,910	498,172,761	303,683,681	331,314,597	245,345,620	721,856,940	511,254,609
Railway tax accruals	776,496,189	482,181,177	258,988,083	155,893,684	176,651,070	127,192,719	340,857,036	199,094,774
Pay-roll taxes	291,683,651	212,037,518	121,936,276	87,484,712	56,897,154	40,667,906	112,850,221	83,884,900
Federal income taxes	249,249,031	52,216,948	47,257,793	*16,805,972	71,269,875	40,878,415	130,721,363	28,144,505
All other taxes	235,563,507	217,926,711	89,794,014	85,214,944	48,484,041	45,646,398	97,285,452	87,065,369
Railway operating income	774,848,109	578,102,733	239,184,678	147,789,997	154,663,527	118,152,901	380,999,904	312,159,835
Equipment rents—Dr. balance	106,540,191	93,948,452	47,858,711	40,858,613	*6,544,117	*3,259,030	65,225,597	56,348,869
Joint facility rent—Dr. balance	34,275,574	32,201,978	16,623,953	15,972,999	5,271,247	4,783,579	12,380,374	11,445,400
Net railway operating income	634,032,344	451,952,303	174,702,014	90,958,385	155,936,397	116,628,352	303,393,933	244,365,564
Ratio of expenses to revenues (per cent)	78.2	83.3	82.3	87.7	76.7	80.5	75.0	80.4

\* Decrease, deficit, or other reverse item.

† Railway operating revenues are after deduction of \$3,290,008 for the ten months ended with October 1946, to create a reserve for land grant deductions in dispute.

Compiled by the Bureau of Transport Economics and Statistics, Interstate Commerce Commission. Subject to revision.

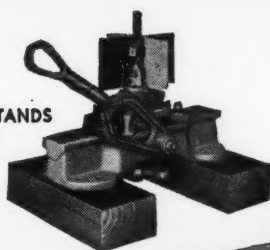


1946  
 127,354  
 4,509,685  
 2,452,886  
 5,142,589  
 6,420,368  
 2,977,224  
 1,502,752  
 9,614,694  
 4,048,955  
 632,435  
 \*285,266  
 50,486  
 \*948,937  
 16,117,021  
 8,398,593  
 6,994,168  
 \*15,061  
 \*263,346  
 346,832  
 \*7,595  
 11,343,595  
 6,071,804  
 12,743,517  
 5,691,864  
 7,720,138  
 20,240,610  
 71,262,142  
 20,964,070  
 8,576,955  
 2,849,449  
 9,537,666  
 50,298,072  
 6,922,423  
 1,117,075  
 12,258,574  
 75.6  
 1946  
 127,662  
 72,810,079  
 7,624,362  
 48,458,590  
 56,815,136  
 21,018,779  
 106,726,946  
 8,849,564  
 40,303,149  
 5,037,286  
 3,685,411  
 147,678  
 1,473,419  
 55,573,443  
 71,517,800  
 59,240,600  
 \*126,116  
 \*2,401,810  
 3,144,389  
 16,305  
 101,644,432  
 50,314,455  
 25,841,397  
 51,835,350  
 77,113,771  
 5,472,337  
 11,254,609  
 9,094,774  
 33,884,900  
 28,144,505  
 37,065,369  
 12,159,835  
 56,348,869  
 11,445,400  
 14,365,568  
 80.4  
 10, 1948

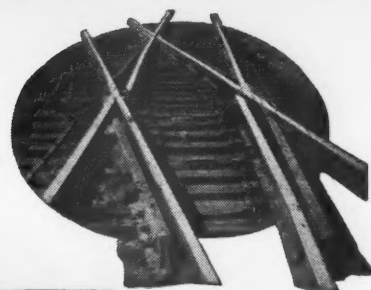


RACOR SWITCH STANDS  
for main line use

RACOR SWITCH STANDS  
for yard use



RACOR  
BRACE RAILS



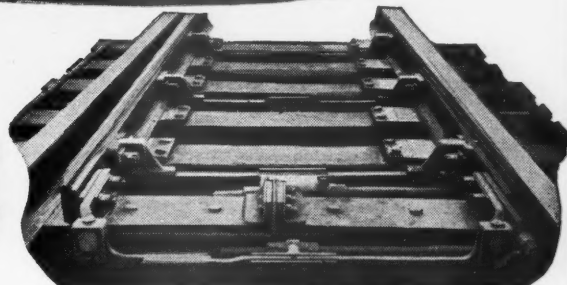
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## Two Per Diem Cases Get Further Hearing

(Continued from page 45)

pairs on the B. & M., that road incurring a rental cost of \$3 per car, or a 1946 total of \$210,735, for such idle time.

"This means," as the B. & M. comptroller put it, "that, while an owner's car is being repaired on a user's railroad and the owner receives per diem, which in our case averages \$3 per car, the net result is that the ownership cost is being reduced by the \$3 per diem because, if the car were repaired on the owner's railroad, it would have cost him \$3 by the loss of the per diem."

Another thing which makes this repair situation adverse to the using roads, Mr. Glacy went on, "is the fact that, under the Code of Rules Governing the Condition of, and Repairs to, Freight Cars for the Interchange of Traffic, the using road is not compensated for 100 cents on the dollar expended in repairing foreign cars." He calculated that repairs made by the B. & M. to foreign cars in 1946 cost \$1,010,346 in excess of what that road was permitted to bill the owners under the code's mandatory rules.

Adding this to the \$210,735 paid in per diem for the time foreign cars were under repair, Mr. Glacy put at a total of \$1,221,081 the ownership costs of foreign cars borne by the B. & M. in 1946. He calculated further that this was equivalent to 28.3 cents for each of the 4,313,477 car-days spent by foreign cars on the B. & M. during 1946. "Because the rules are mandatory, all railroads using and repairing foreign cars would have exactly the same conditions prevailing, and, therefore, this sum of 28.3 cents per car should be deducted from whatever daily rate is determined as ownership per diem costs," Mr. Glacy argued.

F. E. Sperry, general superintendent, Burlington Lines, and principal witness for the six western railroad complainants, advocated a compensatory per diem rate of not less than \$2 in order to reimburse those roads for traffic losses resulting from an insufficient number of available freight cars. Although he admitted there was no car shortage on the Burlington at present, he testified that there were times, particularly during car shortage periods, when that road had as little as 10 per cent of its box car ownership of 22,930 cars on line.

Mr. Sperry said that the Burlington's percentage of freight car ownership on line, particularly box cars, is consistently low, as compared to that road's competitors, during car shortage periods. In this connection, he introduced an exhibit showing, among other things, that, as of November 1, 1947, the Burlington had 82.7 per cent of its box and automobile car ownership on line, as compared with 101.8 per cent on the Chicago & North Western. He said that he has been promised a minimum of 90 per cent ownership on line by A. A. R. car service division officers.

Among others offering testimony

similar to that of Mr. Sperry were R. P. Reed, general freight agent, G. N.; R. E. Mattson, general superintendent, transportation, N. P.; L. F. Wilson, assistant general manager, operations, D. & R. G. W.; and A. W. Campbell, assistant to general superintendent, transportation, G. N.

Inserted into the record of the proceedings by T. L. Preston, general solicitor of the A. A. R., was a January 6 letter from W. T. Faricy, president of the association, to executives of member roads, in which he urged all roads to make a "determined effort to promote full observance of car service rules" and thus hold to a minimum any issuance of C. S. D. orders. "The purport of this letter," Mr. Faricy said in part, "is to request all railroads immediately to effect plans whereby there may be a sincere endeavor to obtain the maximum practical observance of car service rules in their operation. This will likely entail some increases in switching service when setting up freight houses and transfers with empty cars, or when selecting cars for filling orders at industries or on team tracks. The effort must be general and consistent on all roads to produce satisfactory results. Each railroad is urged to do its part in carrying out this program."

## I. C. C. Sets Back Hearing Date on Government Complaints

Acting upon the request of the complainants, the Interstate Commerce Commission has set back to April 26 its scheduled January 20 hearing before Division 4 on four Department of Justice complaints in which the government has assailed various rates and charges paid to the railroads on shipments of war materials during World War II. The complaints to be considered are docketed as Nos. 29735, 29746, 29795 and 29805. They pertain to transit privileges on export freight, rates on aluminum alloy landing mats, policing of export rates at Pacific Coast ports and rates on steel airplane landing mats, respectively.

The commission's order also extends to April 5 the time within which the complainant must furnish copies of its testimony and exhibits to the commission and counsel for the defendants.

## Priority for St. Lawrence Bill

The pending resolution to approve the United States-Canada agreement for construction of the St. Lawrence seaway and power project is on the list of measures selected by the Senate's Republican policy committee for first consideration in the present session. This was announced as the session opened this week by Senator Taft of Ohio, chairman of the committee.

The resolution, which has been approved by the Senate committee on foreign relations, is S.J.Res. 111, introduced by Senator Vandenberg, Republican of Michigan, for himself and a bipartisan group of 15 other senators. It would approve the agreement with provisions purporting to make the seaway and power developments "self-liquidating."